

MEMORANDUM

TO: THE HONORABLE PRESIDENT AND MEMBERS OF
THE BOARD OF ESTIMATES

FROM: M.J. Brodie, President *MJBrodie*
Baltimore Development Corporation (BDC)

DATE: May 10, 2012

SUBJECT: Motorsports Development Agreement

ACTION REQUESTED BY BOARD OF ESTIMATES:

The Baltimore Development Corporation (BDC) respectfully requests this Honorable Board of Estimates (the "Board") to approve:

Motorsports Development Agreement by and between the Mayor and City Council of Baltimore and Race On, LLC, related to the Baltimore Grand Prix.

AMOUNT OF MONEY AND SOURCE OF FUNDS:

N/A

BACKGROUND/EXPLANATION:

On May 5, 2010, the Board approved a Motorsports Development Agreement by and between the Mayor and City Council of Baltimore (the "City") and Baltimore Racing Development (BRD) providing for a series of annual automobile races to be held on City streets over a five-year period, to be known as the "Baltimore Grand Prix." The inaugural Baltimore Grand Prix took place on September 1 - 4, 2011.

Following the completion of the inaugural Baltimore Grand Prix, BRD became financially insolvent and incapable of continued performance under the terms of the Motorsports Development Agreement. As a result, the City terminated the Agreement in December of 2011.

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Following termination of the BRD Agreement, the City solicited and received proposals from interested parties in order to identify and enter into a new contract with a substitute entity who would produce the event in 2012. As a result of those efforts, the City entered into a new Motorsports Development Agreement with Downforce Racing, LLC, a Delaware Limited Liability Company, on February 22, 2012. The City terminated its agreement with Downforce Racing, LLC, which failed to meet City-imposed benchmarks contained in the previous Motorsports Development Agreement.

The City was approached by Race On, LLC, a minority-owned Maryland Limited Liability Company to execute the 2012 Baltimore Grand Prix and subsequent races. As part of the proposal, Race On, LLC will contract with Andretti Sports Marketing to run all commercial and operational aspects of the Baltimore Grand Prix. As a result, the Baltimore Development Corporation is recommending that the City enter into a new Motorsports Development Agreement with Race On, LLC.

Under the terms of the Agreement, the City will grant to Race On, LLC the right to conduct the IndyCar and/or American Lemans Series sanctioned motorsports event on certain City streets. Race On, LLC will agree to privately finance and conduct the event for an initial term of five years, beginning in September 2012, and concluding in September 2016. The Agreement contains an option for an additional five-year term.

MBE/WBE PARTICIPATION:

The Motorsports Development Agreement requires Race On, LLC to comply with the Minority and Women's Business Enterprise Program of the City of Baltimore. Race On, LLC is a minority-owned Maryland Limited Liability Company.

EMPLOY BALTIMORE:

Employ Baltimore applicable: X yes; no

If not, why: professional service contract
 emergency contract
 contract under \$24,999.01

Employ Baltimore Certification Statement completed and returned to Agency:

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 X yes; no

APPROVED BY THE BOARD OF ESTIMATES:

Clerk

Date

MOTORSPORTS DEVELOPMENT AGREEMENT BY AND BETWEEN
MAYOR AND CITY COUNCIL OF BALTIMORE
AND
RACE ON LLC

DATED: MAY __, 2012

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- B. Key Participants
- C. Racing Event Fee Schedule
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- E. Profit Sharing Agreement
- F. General Covenants and Obligations
- G. Municipal Services

**MOTORSPORTS DEVELOPMENT AGREEMENT BY AND BETWEEN
THE MAYOR AND CITY COUNCIL OF BALTIMORE AND
RACE ON LLC**

This Motorsports Development Agreement (“**Agreement**”) is entered into as of this ____ day of May, 2012, by and between the Mayor and City Council of Baltimore (“**City**”), a body corporate and politic of the State of Maryland, Race On LLC (“**ROLLC**”), a limited liability company duly organized under the laws of Maryland (hereafter individually a “**Party**” and collectively “**the Parties**”).

WHEREAS, the City desires to promote events that are of interest and benefit to the residents of the City, to expand national and international tourism to the City, and otherwise to enhance economic opportunities for the benefit of the City, its residents and local businesses; and

WHEREAS, the City has determined that the holding of a series of internationally-recognized automobile races approved by one or more authorized automobile sanctioning bodies, together with a variety of sporting, entertainment, and charitable events in Baltimore, will benefit the City and assist in accomplishing the City’s desires and goals; and

WHEREAS, the City allowed a Race (as defined herein) in 2011, and ROLLC desires to produce and conduct, beginning on a date referenced herein, a continuation of the Race in 2012 and beyond; and

WHEREAS, the City and ROLLC have agreed that ROLLC shall produce and conduct an annual Race in designated areas within the City on the terms and conditions memorialized in this Agreement.

NOW, THEREFORE, in exchange for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereby agree as follows.

ARTICLE I – Definitions

In addition to terms defined in the heading, the recitals and elsewhere in this Agreement, the following terms when used in this Agreement have the meanings specified below:

“**Affiliate**” means, with respect to any Person, a Person, that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such specified person, as determined by the definition of “**Control**” set forth below.

“**ALMS**” means the American LeMans Series and its controlling entities, the professional motorsports sanctioning body that operates ALMS races.

“**Applicable Law**” means any and all laws, statutes, rules, regulations, ordinances or ruling of any Government Entity, or the applicable decisions of any court, tribunal or other judicial body, as the same may be in effect from time to time.

“Arenas” means the existing First Mariner Arena, the Pier VI Pavilion, the City’s ice rinks, soccer facilities, parks and recreation centers and any facilities of a similar nature owned or controlled by the City that are used to conduct events that may be similar to one or more of the Race Events.

“Authorization” is defined in Article II.

“Baltimore Grand Prix” means the series of automobile races, training runs, practices and time trials held during the Events Period (though the public name of each event may be titled differently with the mutual agreement of the City and ROLLC).

“Baltimore Grand Prix Marks” is defined in Section 4.1.5.

“Board of Estimates” means the Board of Estimates of the City.

“Camden Yards” means the sports stadium complex where Oriole Park, M&T Bank Stadium, and various parking lots are situated.

“City Designee” means one or more Persons (including any organization) appointed by the Mayor to coordinate activities between ROLLC and the City.

“City Parking Lots” means the public parking facilities, including but not limited to garages and open-air lots that are owned and operated by the City or the Parking Authority.

“Compete Directly” when used in connection with the Race, means an event or activity which is scheduled during the Events Period.

“Construction” means the construction, installation, erection and placement of Event Improvements.

“Construction Period” means the period during which ROLLC will be obligated to initiate and complete Construction and which shall not be more than thirty-five (35) days prior to the commencement of the Race, subject however to Force Majeure events.

“Control” means the ownership, directly or indirectly, in the aggregate of fifty percent (50%) or more of the beneficial ownership interests of an entity, or the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through the ability to exercise voting power, by contract or otherwise. A change of Control also includes the loss of a Key Participant and the failure of ROLLC to replace such Key Participant with someone of comparable resources, experience and expertise, as approved by the City, such approval not to be unreasonably withheld.

“Convention Center” means the Baltimore Convention Center.

“Convention Center Agreement” means an agreement between ROLLC and the entity controlling the use of the Convention Center.

“Decorations” means signs, banners and race-related decorations.

“Emergency Vehicle Access Area” means the location(s) designated in the Event Management Plan for the temporary staging of emergency services vehicles (*e.g.*, ambulances, fire-fighting equipment and public safety patrol cars) during the Race.

“Event Impact Plan” is defined in Section 4.5.4.

“Event Improvements” means all Viewing Areas and Race Event Facilities that will be used to conduct and operate the Race and related Race Events, including but not limited to Pit Lane, Hospitality Areas and Race Concessions locations, as well as all safety systems and related structures, and Decorations.

“Event Improvements Plan” is defined in Section 4.5.1.

“Event Management Plan” is the composite of: a) the Event Improvements Plan, b) the Safety and Security Plan, c) the Traffic and Parking Management Plan, and d) the Event Impact Plan; in addition, the Street Area Plan will be incorporated as part of the Plan.

“Events Period” means the three-day period each year during the Term (including extensions thereof) when the Race and related Race Events will be conducted, which is referred to in Section 6.1.

“Financial Materials” is defined in Section 2.1.1(b)(ii).

“Financing Plan” means a detailed plan prepared by ROLLC and reviewed by the City, that provides, among other elements, the anticipated financing framework for the Race Events, identifies the proposed sources for the funds required, and identifies any steps required to implement the plan. The parties acknowledge that any Financing Plan is subject to change and evolution with the passage of time up to and including the Events Period.

“Force Majeure” is defined in Section 11.15.

“Government Entity” means any governmental, quasi-governmental or regulatory body, agency, commission, division, department, public body or authority, or other political subdivision, and shall include any court or tribunal or administrative body performing similar functions.

“Hospitality Areas” means the designated indoor and outdoor locations to which access will be controlled by ROLLC or its designee, including the outdoor spaces immediately adjacent to indoor hospitality locations, where ROLLC or its authorized designee will host hospitality events related to the Race.

“Impacted Communities” means those communities represented by the following associations: Federal Hill Neighborhood Association; Sharp-Leadenhall Planning Association; Otterbein Community Association; Harbor Walk Townhouse Association; Harborway Condo Association; Harborway East Condo Association; Ridgely’s Delight Association; and Harbor Court Condo Association.

“Impacted Facilities” when used in Sections 4.4., 4.5.2 and 4.5.4 and Article VI of this Agreement, means facilities within or adjacent to the Race Area Perimeter, as well as any other facilities not both owned and operated by the City, including by way of example, the Convention Center, Oriole Park, M&T Bank Stadium, hotels and restaurants.

“IndyCar” means Indy Racing League LLC, an Indiana limited liability company and professional motorsports sanctioning body that operates under the trade name “IndyCar.”

“Key Participants” means those individuals identified on **Exhibit B**, and to the extent of any additions or replacements thereto approved by the City, such other individuals.

“Labor Day Period” is defined in Section 6.1.

“M&T Bank Stadium” or such other name by which it may be known from time to time, means the sports facility located at Camden Yards where The Baltimore Ravens™ National Football League team plays its home games.

“Material Agreements” means this Agreement, the MSA/ROLLC Agreement, the Sanction Agreement(s), the MTA/ROLLC Agreement, the Convention Center Agreement, the MdTA Agreement and the Parking Rights Agreement.

“MdTA” means the Maryland Transportation Authority, an instrumentality of the State of Maryland.

“MdTA Agreement” means an agreement between MdTA and the City, that, *inter alia*, allows for the closure of portions of Interstate 395.

“Media Rights” means the rights to promote, advertise, produce, broadcast and display on television, radio, film, video recording, print, photos, outdoor advertising, websites and other electronic sources and media and all other forms of communications or public relations media including any and all of the following: (i) information about the Baltimore Grand Prix or other Race Events, (ii) the Baltimore Grand Prix races, or (iii) one or more of the other activities or entertainments which together comprise the Race Events.

“Minimum Ticket Sales” means the sale, at prices no less than 75% of the scheduled prices set forth in the Financial Plan, of at least: 60,000 tickets (for this purpose including each day of a multiday ticket or pass) for each Race after 2012; provided that such Minimum Ticket Sales will be appropriately modified should a Race be materially and adversely impacted by Force Majeure events.

“MSA” means the Maryland Stadium Authority, an instrumentality of the State of Maryland.

“MSA/ROLLC Agreement” means a multi-year agreement between MSA and ROLLC, that, *inter alia*, allows ROLLC to use, for the Race Events and Race Events Facilities, designated locations within Camden Yards in accordance with the Event Management Plan and at the times or periods specified in said Plan.

“**MTA**” means the Maryland Transit Administration, an instrumentality of the State of Maryland.

“**MTA/ROLLC Agreement**” means a multi-year agreement between MTA and ROLLC, that, *inter alia*, allows ROLLC to use, cross and protect, for the Race Events and Race Events Facilities, the light rail tracks within the Race Track in accordance with the Event Management Plan and at the times or periods specified in said Plan.

“**Municipal Services**” means (a) Public Safety Services (other than those services to be provided by ROLLC in accordance with the approved Safety and Security Plan), (b) water supply and sewerage disposal for facilities that are connected to municipal water supply and waste disposal systems, (c) trash collection and disposal (but only to the extent not required to be performed by ROLLC under the terms of this Agreement), and (d) incidental repairs for City-owned street lighting. A fuller listing of Municipal Services to be provided by the City is attached as **Exhibit G**.

“**Municipal Vehicles**” means vehicles used by the City to perform Municipal Services.

“**Oriole Park,**” or such other name by which it may be known from time to time, means the sports facility located at Camden Yards where The Orioles™ Major League Baseball Team plays its home games.

“**Parking Authority**” means the Parking Authority of the City of Baltimore.

“**Parking Rights Agreement**” means the agreement among ROLLC, the Parking Authority and, to the extent required by Applicable Law, the City regarding the use of and sharing of revenues from any City Parking Lots made available for the Race Events.

“**Perimeter**” means the barriers, fences and gates installed by ROLLC to demarcate and control public access to the Race Area, in each instance, consistent with and as required by the Event Management Plan.

“**Periods of Primary ROLLC Responsibility**” means the Pre-Events Period and the Events Period.

“**Person**” means a natural person, a trustee, a corporation, a partnership, a limited liability company and any other form of legal entity.

“**Pit Lane**” means the access-controlled location within Camden Yards or at an alternate location, as determined by ROLLC and the City, that will be used by the professional car racing teams participating in the Race.

“**Pre-Events Period**” means the five (5) calendar days immediately preceding the Events Period.

“**Private Parking Lots**” means parking facilities which are not owned or leased by the City.

“Profit Sharing” means the arrangement described on Exhibit E.

“Protected Area” is defined in Section 6.2.

“Public Safety Services” means (a) police, fire, and emergency medical services required by Applicable Law or Required Permits, or otherwise deemed necessary by the City, and (b) traffic controls deemed necessary by the City.

“Public Safety Vehicles” means vehicles used by the City to perform Public Safety Services.

“Race” means the annual automotive street race sanctioned by IndyCar and/or ALMS, or a successor or an equivalent professional motorsports sanctioning body should IndyCar and/or ALMS cease to exist, to be held in Baltimore during the Events Period on the Race Track, and includes the qualifying or practice sessions and other support series events and races typical for an event of this type, all of which will be described in more detail in the Event Management Plan.

“Race Area” means the City streets and sidewalks, State-controlled highways and land, parking areas, and rights-of-way associated thereto located within the Perimeter, as shown on the Race Area Plan.

“Race Area Plan” means the site plan of the Race Area that depicts the location of the Race Track, Race Event Facilities, Hospitality Areas, Viewing Areas, existing and temporary walkways and pedestrian bridges, parking areas, Emergency Vehicle Access Area, and the Perimeter. A final Race Area Plan will be part of an approved Event Management Plan.

“Race Concessions” means all concessions associated with the Race Events that will be offered or provided within the Race Area Perimeter including but not limited to: (1) food, (2) beverages (alcoholic and non-alcoholic), (3) wearing apparel, (4) programs, (5) souvenirs, (6) toys, and (7) all other merchandise or services offered for sale in connection with the Race Events. The term Race Concessions specifically excludes products or items sold outside the Race Area during any of the Race Events by merchants and business persons who are currently or are hereafter licensed by the City or the State.

“Race Event Facilities” means the buildings, parking lots and other areas which ROLLC and its authorized designees will utilize for the Race and Race-related support activities, including but not limited to offices, staging areas for Race Materials, Pit Lane, the Emergency Vehicle Access Area, and Hospitality Areas.

“Race Event Work Product” is defined in Section 4.1.1.

“Race Events” means the Race and all associated activities and entertainments produced or staged by ROLLC in the Race Area, or at other locations, including but not limited to amateur go-kart races, a parade, fireworks, live music performances and a charity ball, subject to approval by the City as part of the Event Impact Plan, as specified in this Agreement, and the securing of all Required Permits.

“Race Materials” means all equipment, materials, and apparatus used and associated with the conduct of the Race Events, including without limitation barriers, blockades, wiring and conduits for utilities and other cables (*e.g.*, electrical, television, telephone), safety equipment and devices, fencing, fence covering material, cranes, forklifts, motor and motorized vehicles, fire protection equipment and apparatus, medical equipment and apparatus, Decorations, tents, vehicles, Race Concessions facilities, bleachers, grandstands, suites, seats, temporary walkways and bridges, sanitary facilities, structures, and the components thereof.

“Race Track” means the City streets and adjacent areas that together constitute the non-permanent street circuit course for the Baltimore Grand Prix that is designated in the Event Management Plan and certified by IndyCar as meeting the Street Race Standards. The proposed layout of the Race Track, including Viewing Areas and Pit Lane, is attached hereto as **Exhibit A**.

“Race Track Safety System” means a system of concrete barrier walls and retaining fences surrounding the Race Track consistent with the Safety and Security Plan.

“Racing Act” means Title 21, Subtitle 12, § 21-1211 of the Maryland Transportation Code, as the same may be amended from time to time.

“Racing Event Fee” means the amounts specified in **Exhibit C** and paid each year by ROLLC for such permits (whether existing or hereinafter enacted under Applicable Law), services, support and other items that are specifically set forth in this Agreement as being provided by the City.

“Required Permits” means (i) any and all permits, licenses, approvals, authorizations and consents required under any Applicable Law (including the Racing Act) in order to conduct the Race and the other approved Race Events, and (ii) such consents as may be required from (A) Government Entities, (B) tenants, concessionaires and operators of facilities within Camden Yards, (C) operators of any Arenas, (D) owners of Private Parking Lots, and (E) any other Person whose consent may be required by Applicable Law or contract in order to conduct the Race Events.

“ROLLC’s Intellectual Property” is defined in Section 4.1.3.

“ROLLC’s Pre-Existing Rights” is defined in Section 4.1.3.

“Safety and Security Plan” is defined in Section 4.5.2.

“Sanction Agreements” means contracts by and between (a) IndyCar and ROLLC (with bilateral renewal options) that, *inter alia*, designates the Baltimore Grand Prix as an event on IndyCar’s official calendar and grants ROLLC the exclusive right to conduct the Baltimore Grand Prix subject to the terms and conditions established by IndyCar (including any modifications or amendments thereto); and (b) ALMS and ROLLC (with bilateral renewal options) that, *inter alia*, designates the Baltimore Grand Prix as an event on ALMS’s official calendar and grants ROLLC the right to conduct an ALMS race at the Baltimore Grand Prix subject to the terms and conditions established by ALMS (including any modifications or amendments thereto).

“Street Improvements” means the construction and related work undertaken and performed by the City on the City streets and adjacent areas for the 2011 Race that created the Race Track in compliance with the Street Race Standards. Included in the Street Improvements were the preparation of engineering plans and detailed specifications, repairs, re-grading and resurfacing of streets and roads, securing inspection covers, changes made to sidewalks, streets, curbing, and all other necessary improvements.

“Street Race Standards” means the specifications (*e.g.*, elevation changes, widths, surface compaction and finish smoothness, edges, turns, grades and corner angles) required by the primary sanctioning body and/or the Federation Internationale d’Automobile (FIA) for the Race in order to create a safe, non-permanent street circuit course.

“Subsequent New Street Improvements” is defined in Section 5.2.

“Subsequent Required Street Improvements” is defined in Section 5.2.

“Subsequent Street Improvements” is defined in Section 5.2.

“Tear Down” means the dismantling and removal of all Event Improvements and the restoration of the Race Area to the condition required by the Event Improvements Plan.

“Tear Down Period” means period during which ROLLC will be obligated to perform the Tear Down, which shall not be more than fifteen (15) days after the conclusion of the Events Period, subject however to Force Majeure events.

“Term” is defined in Section 3.1.

“Ticket Escrow Account” is an escrow account to be established and governed by the Ticket Escrow Account Agreement, into which all amusement and admissions taxes payable from the sale of tickets to Race Events are to be deposited.

“Ticket Escrow Account Agreement” is an agreement among ROLLC, the City and an acceptable institution acting as escrowee.

“Ticket Sale Rights” means the right to charge admission, sell tickets, ticket packages and passes to the Race or other Race Events, including ROLLC’s right to offer its patrons, as part of a ticket package, the right to park in City Parking Lots subject to the terms and conditions of the Parking Rights Agreement.

“Traffic and Parking Management Plan” is defined in Section 4.5.3.

“Viewing Areas” means the grandstands, Hospitality Areas, walkways and pedestrian bridges, and other locations within the Race Area alongside or near the Race Track event from which ticket holders and invited guests attending the Race Events may view the Race Events.

ARTICLE II – Authorizations; Benchmarks

The City hereby authorizes ROLLC to conduct the Race and other Race Events at the times and in accordance with the terms and conditions of this Agreement (the “**Authorization**”). The Authorization is effective upon the approval of this Agreement by the Board of Estimates, but is subject to revocation, effective upon a termination of this Agreement. In conjunction with the grant of the Authorization, the City and ROLLC have established certain schedules, benchmarks and milestones, that are set forth below which the Parties acknowledge and agree are material and govern ROLLC’s further development and its conduct of the Race Events. ROLLC shall pay the City a Racing Event Fee at the times and in the amounts as specified in **Exhibit C**.

2.1 City Determinations and Immediate Commitments.

2.1.1 **City Findings and Determinations:** The City has determined that ROLLC has achieved the following prior to presenting this Agreement to the Board of Estimates for approval:

(a) ROLLC has presented, and the City has reviewed, a Financing Plan for the 2012 Race; and

(b) ROLLC has secured the participation of the Key Participants and has provided documentation, acceptable to the City’s Director of Finance (or his designee), that (i) ROLLC has access to sufficient funds that would allow ROLLC to address the financing needs of the 2012 Race; (ii) based on the financial information of unencumbered assets presented by the Key Participants (the “**Financial Materials**”), all of which is hereby certified by ROLLC and the Key Participants to be correct and not misleading, the Key Participants have substantial financial resources; (iii) collectively, the Key Participants (directly, or through ROLLC’s retention of a professional race manager) have the experience and the expertise necessary to conduct, in a professional and competent fashion, the 2012 Race; (iv) each of the Key Participants has a direct or indirect ownership interest in ROLLC, as evidenced by the certified true and complete copies of organizational documents of ROLLC and its members delivered to the City’s Director of Finance (or his designee); and (v) the governance structure of ROLLC provides appropriate centralized leadership and direction.

2.1.2 Effective upon approval of this Agreement by the Board of Estimates, the City will:

(a) review with ROLLC the Race Track to determine the extent of any necessary repairs;

(b) cooperate with and support ROLLC in securing all Required Permits, and begin to address with ROLLC, where appropriate, any issues created thereby, consistent with Section 4.3.1;

(c) seek to identify a location for the year-round storage of Race Materials as more fully described in Section 4.10.2;

(d) negotiate and finalize with MdTA the terms of an MdTA Agreement; and

(e) negotiate and finalize with any necessary parties the Ticket Escrow Account Agreement.

2.2 Implementation Timeline.

2.2.1 2012 Race. In a commercially reasonable manner, in order to ensure that ROLLC has implemented procedures necessary to conduct the Race Events during the 2012 Labor Day Period, the City and ROLLC will work together diligently, cooperatively and in good faith, but subject to Force Majeure, to achieve the following results as expeditiously as possible:

(a) ROLLC will deliver to the City the proposed form of monthly reporting required by **Exhibit D**;

(b) ROLLC will enter into (and provide complete copies of the final signed versions) (i) the Sanction Agreements and (ii) the MSA/ROLLC Agreement, each on terms and conditions reasonably acceptable to the City;

(c) ROLLC will confirm, with IndyCar, that no repairs to the Street Improvements are needed to the Race Track for the 2012 Race, which requirement has been satisfied by a letter from IndyCar dated March 15, 2012;

(d) the City will, from time to time, appoint City Designees, and thereafter, ROLLC and each City Designee will have regular meetings with ROLLC as mutually deemed necessary, in order to keep the planning process, including but not limited to the creation of the Event Management Plan and ROLLC's obtaining of all Required Permits, proceeding in an orderly and timely way;

(e) ROLLC will, enter into (and provide complete copies of the final signed versions) (i) the Parking Rights Agreement, (ii) the Convention Center Agreement and (iii) the MTA/ROLLC Agreement, each on terms and conditions acceptable to the City;

(f) ROLLC will submit to the City a proposed Safety and Security Plan, which plan must be agreed upon and approved by the City; and

(g) the Parties will jointly prepare and ROLLC shall deliver to the City Designee a final draft of each of the remaining components of the Event Management Plan, and the City Designee will thereafter promptly manage the review of the draft Event Management Plan by pertinent City Agency and Department chiefs, and will consult with the Councilman in whose Districts the Race Events will be held, so as to secure, using good faith efforts, said approvals on or before **August 1, 2012**; the City agrees to review the Event Management Plan in a timely manner.

2.2.2 Subsequent Years:

(a) Beginning with calendar year 2012, the Parties agree that:

(i) By noon on the October 31st of each year after the completion of the Race Events, ROLLC shall provide to the City for its review an evaluation report regarding the Race Events, and (ii) ROLLC's proposed Financing Plan for the next year's Race Events;

(ii) By December 31 of each year, the Parties shall agree on the scope and type of changes or revisions to be made to the 2012 Event Management Plan and identify the Party responsible for making said changes or revisions for the next year's Race Events; and

(iii) By February 1st of each year after 2012, that year's Event Management Plan shall be finalized and approved, and the City shall have approved ROLLC's Financing Plan for that year's Race Events.

(b) Until the Parties agree on the content of the Event Management Plan and the Financing Plan, the City will have no obligation to initiate any Subsequent Street Improvements.

2.3 Race Task Committee. The City shall form and appoint a committee of representatives from appropriate City agencies promptly after this Agreement is approved by the Board of Estimates to facilitate communication and coordination between ROLLC and the City.

2.4 Opportunity(ies) to Cure. The Parties agree that each will use commercially reasonable efforts and act in good faith to meet the deadlines specified in Section 2.2; however the parties may agree in writing to extend the time for any of the foregoing acts.

2.5 Profit Sharing. The Parties agree that City shall share in certain distributed cash generated by the Race Events and related rights in accordance with the terms set forth on Exhibit E.

ARTICLE III – Contract Term and Extension(s)

3.1 Initial Term. The effective date of this Agreement is the date when it is approved by the Board of Estimates, and it shall expire on November 1, 2016 (“**Term**”), unless (a) for any calendar year ROLLC is unable to obtain a Sanction Agreement on or before December 1 of the prior year, in which event this Agreement shall terminate on December 30 of the prior year, or (b) this Agreement is otherwise terminated pursuant to Section 10 of this Agreement.

3.2 Options to Extend Term. Upon the mutual agreement of the Parties and subject to the approval of the Board of Estimates, this Agreement may be extended so its duration coincides with each extension (if any) of a Sanction Agreement, but in no event for longer than five (5) years beyond the expiration date of this Agreement. Unless otherwise required by the Board of Estimates, ROLLC shall not be required to pay a fee to the City in order to exercise its option(s) to extend this Agreement; however, before any option can be exercised, (a) the Parties shall agree not later than ten (10) business days after the 2016 Race on (i) increases in the monetary amounts payable pursuant to Articles II and IV hereof, (ii) any increases necessary in the insurance coverages specified in Article IX hereof, and (iii) all other terms deemed material by the City to any extension, (b) within five (5) business day of such agreement, ROLLC

executes and delivers to the City a final extension agreement that incorporates the agreed upon terms, and (c) the extension agreement is approved by the Board of Estimates. If any one of the prior requirements is not satisfied, this Agreement will expire on the date set forth above and the provisions of Section 10.2.4 shall thereafter govern the City's and ROLLC's actions with regard to any subsequent Race.

ARTICLE IV – Parties' Rights and Obligations

4.1 **ROLLC Obligations.** ROLLC will (a) conduct the Race and the other Race Events on the date(s) set forth herein or otherwise agreed upon in writing in accordance with the Event Management Plan, to the highest and best standards of street racing as required by the IndyCar and any Applicable Law; (b) keep in full force and effect each of the Material Agreements and perform all of its obligations required thereunder within all applicable time periods, including such terms of the MdTA Agreement as are specified by the City and consistent with ROLLC's obligations under this Agreement; (c) provide and maintain such assurances as are required to satisfy the financial and other requirements of the Material Agreements; (d) negotiate and secure such leases, licenses or other arrangements as necessary for the conduct of Race Events either outside the Perimeter or within facilities or on land within the Perimeter that is not both owned and controlled by the City, and to pay all costs in connection therewith, (e) provide the reports and maintain the public information disclosure required by **Exhibit D**, (f) adhere to the affirmative covenants and standards set forth on **Exhibit F**, and (g) secure such resources, including funds (both equity and debt) and personnel, as are necessary to comply with its obligations under this Agreement and each of the Material Agreements. By way of example (but not limitation), ROLLC will solely and exclusively be responsible for: (i) the cost of acquiring, transporting, installing, maintaining, removing and storing all Race Materials, (ii) all costs of Construction and Tear Down; (iii) all payments required of ROLLC under the Material Agreements, (iv) the costs described in the first sentence of Section 4.7.2, including (A) the cost of securing water that is not provided by connections to the City's water supply system, (B) the costs of installing, maintaining and removing portable toilets and other temporary facilities, (C) the costs of collection of all trash within the Perimeter, and (D) the costs of providing security in accordance with Safety and Security Plan, and (v) all other costs not specifically the obligation of the City hereunder of or relating to creating the Race Track, conducting the Race Events and complying with the Event Management Plan.

4.1.1 **Race Event Work Product.** The Parties acknowledge and agree, unless specifically stated otherwise, including in Section 4.1.3, that any and all products of the work performed by ROLLC and developed for the City for the Race and Race Events under this Agreement, including without limitation trademarks, logos, trade names, copyrightable materials (including drawings, artwork, videos, blue prints, maps, and website content), inventions, computer software (including data and related software program documentation in computer-readable and hard-copy forms), and other intellectual property and proprietary rights of any kind, nature or description, including domain names and other e-commerce assets ("**Race Event Work Product**") shall be the property of the City. All Race Event Work Product, from the moment it is first embodied in any perceptible form, and qualifying for protections under the copyright laws of the United States of America shall be considered "works made for hire" and shall be the sole and exclusive property of the City. ROLLC shall fully, freely, and immediately disclose all Race Event Work Product to the City. ROLLC hereby assigns, transfers, and

conveys to the City all of ROLLC's now existing and hereafter arising right, title, and interest in, to, and under all Race Event Work Product.

4.1.2 License to Use Race Event Work Product. Subject to the terms of this Agreement (including Section 4.9.4), the City grants ROLLC a non-exclusive, revocable, non-transferable, paid-up, royalty-free, world-wide license and right to use the Race Event Work Product during the Term. Should ROLLC desire to use Race Event Work Product after the Term, ROLLC must first obtain the City's prior, written permission to do so. Such permission shall not be unreasonably withheld by the City, provided ROLLC's proposed use of the Race Event Work Product will not pose a conflict of interest to the City, as determined by the City. For instance, ROLLC shall not be granted permission to use the Race Event Work Product for projects, or in conjunction with third parties, that are directly competitive with the City's resources, or adverse to the City's financial or legislative interests, including by way of example, the holding of events similar to the Race and/or Race Events within the area described in Section 6.2 and in direct competition with a proposed Race. ROLLC also will not be granted permission to use the Race Event Work Product in such a way that falsely associates the City with any third party or causes confusion as to the identity of the City, or the identity of the City's affiliates, partners, sponsors or vendors..

4.1.3 ROLLC's Intellectual Property. The City agrees that, notwithstanding anything set forth herein to the contrary, intellectual property ROLLC owned and developed at any time prior to the effective date of this Agreement or developed at any time thereafter independently from the performance of services related to the creation of the Race Event Work Product (collectively, "**ROLLC's Pre-Existing Rights**") are not deemed Race Event Work Product and belong to ROLLC ("**ROLLC's Intellectual Property**"). The Parties agree that ROLLC's Intellectual Property includes, without limitation, the following: (a) internal procedures' systems and know-how of ROLLC or any of its Affiliates used in promoting or conducting any aspect of a motor vehicle race; (b) the general content of ROLLC's or an Affiliate's website, unless otherwise transferred hereby or provided by the City for use in such website; (c) any internal documents, including those setting forth the identity of ticket buyers, sponsorship payments, vendors, consultants and the like, unless either (i) already disclosed, either through various media reports or reports provided to the City; or (ii) independently or jointly developed lists of prospects, potential sponsors and/or ticket buyers, vendors and/or consultants, in either event the City shall have a perpetual, non-exclusive and royalty-free license to use such information as it chooses; (d) software, computer programs or code written for, or licensed to ROLLC or its Affiliates; (e) data bases (not otherwise within one of the prior categories) created prior to the effective date of this Agreement; and (f) promotional materials, such as advertising, copy, illustrations, photographs and the like that were created prior to the effective date of this Agreement.

4.1.4 License to Use ROLLC's Intellectual Property. In the event and to the extent that any of the Race Event Work Product produced by ROLLC hereunder contains any ROLLC Intellectual Property, ROLLC hereby grants to the City an irrevocable, perpetual, paid-up, non-exclusive, royalty-free, world-wide right and license to produce, reproduce, perform, distribute copies of, execute, publish, transmit and prepare derivative works based upon such ROLLC Intellectual Property as embodied in the Race Event Work Product, and to authorize others to do any of the foregoing.

4.1.5 Trademark Licenses. The City owns all right, title and interest in the BALTIMORE GRAND PRIX word mark and the BALTIMORE GRAND PRIX trade name (collectively, the “Baltimore Grand Prix Marks”), and uses and has used the Baltimore Grand Prix Marks in connection with the Race. The City hereby grants to ROLLC a non-exclusive, royalty-free right and license to use the Baltimore Grand Prix Marks in connection with the Race and Race Events, including the adoption, use and licensing of the Baltimore Grand Prix Marks and the use of other trademarks, logos and trade names that incorporate the Baltimore Grand Prix Marks for use in connection with the Race and Race Events, and/or as a component of a domain name, in accordance with the terms of this Agreement.

(a) Termination. The rights granted pursuant to Section 4.1.5 shall terminate when this Agreement terminates.

(b) Quality Control. This license to ROLLC to use the Baltimore Grand Prix Marks is subject to the quality control provisions set forth this Agreement, including but not limited to those set forth in Article III of this Agreement.

4.2 Cooperation and Coordination. The City shall vest each City Designee with all necessary authority to insure the cooperation of and among City Departments and instrumentalities of the City with ROLLC on all City-related matters pertaining to the Race and the other Race Events, including but not limited to planning, timely issuance of Required Permits, preparation of the Event Management Plan, operations, and any changes in the dates otherwise specified in this Agreement. In fulfilling the terms of this Agreement, the Parties agree and acknowledge that such cooperation and coordination is essential to ROLLC’s conducting successful Race Events.

4.3 Permits, Waivers and Exemptions.

4.3.1 Year One of Baltimore Grand Prix. Within the time frames specified in Article II, the City and ROLLC shall collectively identify those provisions of Applicable Law that the Parties agree pertain to or will materially affect ROLLC’s authority or ability to secure the Required Permits for the Race Events. The City Designee will assist ROLLC’s efforts to obtain as promptly as possible all Required Permits. All City permits and approvals necessary to operate and conduct the Race and Race Events, other than the liquor license fees described in Section 6.5, will be paid from the Racing Event Fee.

4.3.2 Subsequent Years. In connection with each Race after the inaugural events and during the Term hereof, ROLLC shall apply, with the support of the City, for all Required Permits, and it shall request all Municipal Services required to conduct the Race Events (pursuant to Sections 4.6 and 4.7 below) not later than March 31st preceding each year’s Race Events.

4.4 Exclusive Rights Granted to ROLLC.

4.4.1 Subject to Required Permits and the terms of this Agreement and the other Material Agreements, the Authorization granted to ROLLC by the City is an exclusive grant for the Term of this Agreement (including any extensions thereof) of each and all of the following rights, to the extent of any City interest therein: (i) to promote, advertise for, conduct and obtain

sponsors for all Race Events; (ii) to use the Race Track and adjacent locations designated on the Race Area Plan for Race Events, and to control access to the Race Area during the Events Period consistent with the limited duration license granted by this Agreement, which rights shall not be construed as a lease or other interest in land; (iii) to possess and exercise the Media Rights in connection with all of the Race Events, including but not limited to the right to enter into all contracts or licenses necessary to effectuate the Media Rights; (iv) to possess and exercise the Ticket Sale Rights, *subject to* ROLLC's obligation to turn over to the Comptroller of the State of Maryland the taxes collected (and held and segregated in the Ticket Escrow Account) and to perform in accordance with **Exhibit E**; (v) to enter into contracts for and to operate all Race Concessions within the Race Area directly or through licensees, including but not limited to the right to grant licenses or sub-licenses; and (vi) to erect Decorations at locations within the Race Area and elsewhere in the City consistent with the Event Management Plan. Notwithstanding the foregoing, the exclusivity provided herein shall apply only to the identified and approved Race Events, shall be subject to any existing and future agreements (such as agreements relative to media rights and concessions generally, including but not limited to those within Camden Yards) and shall not limit the City's right to conduct other events at any time during the Term in accordance with the following provisions:

(a) The rights granted above are intended to be construed narrowly and not expansively, and unless explicitly expanded beyond the limits set forth above, are to be interpreted as meaning no more than what is described; moreover, such rights are subject to the terms of Section 10.2.4.

(b) Neither the City nor any operator will be limited in any way from conducting events at the Arenas or in any other locations not specifically restricted to ROLLC in this Agreement, except for professional auto racing events that Compete Directly with the Baltimore Grand Prix.

(c) The City cannot and will not limit the conduct or timing of any events or activities, including the sale of food, merchandise or concessions, at any Impacted Facilities except as required by Applicable Law.

(d) The City will not be precluded from granting similar rights for other events conducted outside of the Race Area or at any time outside of the Events Period, except that the City will not grant similar rights for any professional auto races or similar events that would be conducted within forty (40) days prior to or thirty (30) days after the Race without ROLLC's express, written, advance consent.

In addition, notwithstanding the grant of Media Rights and rights relative to the Baltimore Grand Prix Marks, the City reserves, and ROLLC hereby grants to the City, to the extent so required, an ongoing perpetual, non-exclusive right, at no cost to the City, to identify, describe and promote the Race and the Race Events through such communications and with such media as it customarily describes and promotes other events that occur in the City of Baltimore or its metropolitan region.

4.4.2 The City shall support ROLLC's efforts to obtain the cooperation of The Ravens™, the National Football League™ ("NFL"), The Orioles™, Major League Baseball™

(“**MLB**”), and other sporting or special events which may reasonably impact the successful conduct of the Grand Prix, so that in establishing the schedules for The Ravens’ and The Orioles’ home games (regular or pre-season), or other special events, the NFL, MLB, or the promoters and owners of other special events, respectively, take into consideration the City’s and ROLLC’s collective desire to have the Race Events conducted on the weekend specified in Article VI.

4.4.3 In connection with its promotion, advertising and marketing efforts for the Race and other Race Events, ROLLC shall consult with the Mayor or designee and shall reasonably coordinate its promotion, advertising and marketing efforts with the City.

4.4.4 ROLLC’s exclusive Media Rights may be subject to existing or future contracts between IndyCar and/or ALMS and third parties, or existing or future contracts between the City and third parties. Any restrictions by IndyCar and/or ALMS on ROLLC’s exercise of the Media Rights (if any) will be addressed in the applicable Sanction Agreement and shall not be construed to limit ROLLC’s possession and exercise of the Media Rights vis á vis the City as set forth in this Agreement. Any restrictions in future City’s contracts with third parties that may affect ROLLC’s Media Rights hereunder shall be addressed in such contracts.

4.5 Event Management Plan. ROLLC is currently preparing in consultation with City officials and all Race Area stakeholders, including but not limited to local residents, hotels and other businesses, a comprehensive Event Management Plan (and the component plans thereof). The Parties acknowledge and agree that they shall meet and confer periodically and continue to work together to finalize the Plan as and in the manner described in Section 2.2, and that versions of the Plan will be modified (using an efficient, commercially reasonable and mutually agreeable procedure) from time to time, and from year to year, as the Parties’ planning efforts continue. The Event Management Plan shall consist of the following components:

4.5.1 Event Improvements Plan. The Event Improvements Plan shall describe in reasonable detail the work to be done to allow the Race Events to occur, including by way of example, all of the following: (a) the final agreed-upon Race Area Plan; (b) the locations within the Race Area where ROLLC plans (i) to construct, install, erect and place Event Improvements, and the specifications for the Race Materials to be employed, and (ii) to locate vendors, including the types of goods and services to be permitted for sale by vendors; (c) ROLLC’s schedule for performing all work during the Construction Period; (d) the identity of the contractor(s) that will construct or erect the Event Improvements; (e) ROLLC’s schedule for performing all necessary work during the Tear Down Period, (f) the standards to which all such work shall be performed (and to the extent not addressed in the Event Impact Plan, the standards for restoration), including the means by which compliance with the Americans With Disabilities Act (“**ADA**”) will be achieved, and (g) the locations and nature of any Race Event Facilities not within the Perimeter.

4.5.2 Safety and Security Plan. The Safety and Security Plan shall describe in reasonable detail the means by which the safety and security of patrons, visitors, residents and businesses impacted by the Race Events will be assured and how access will be controlled, including by way of example: (a) the safety and abatement equipment and materials required by Applicable Law or Required Permits that will be installed in the Race Area (copies of all approved plans or drawings, and materials specifications, for such systems shall be appended to

the Plan); (b) the procedures whereby Municipal Vehicles, patrons and employees of Impacted Facilities, credentialed hotel guests and employees, business owners and their customers, and neighborhood residents will gain access to the Race Area during the Pre-Events and Events Periods (*see also* Section 4.8); (c) the procedures for handling medical or other emergencies, and incidents involving hazardous materials during the Events Period; (d) the safety and security training that ROLLC shall design, supervise and implement for its employees, contractors, licensees, event workers, concessionaires, and the City officials and employees who will be involved in Race Events; (e) the number of security personnel to be provided and the hours of operation to be required from the security company (which company must be experienced in managing large-scale sporting events); and (f) the required levels of Municipal Services both within and outside of the Race Area. ROLLC shall provide the information the City deems necessary to enable it to determine the appropriate levels of Public Safety Services to be provided pursuant to Section 4.7 hereof. ROLLC may propose staffing levels for the Public Safety Services (based on the levels for such services at comparable racing events in other cities), but the City shall make the final staffing determinations.

4.5.3 Traffic and Parking Management Plan. The Traffic and Parking Management Plan shall describe or designate the means by which traffic and parking generated by or resulting from the Construction, the Race Events and the Tear Down will be handled, including by way of example the following items: (a) the approximate date(s) and times during which existing, normal traffic and pedestrian patterns will be limited or restricted (temporarily or for the duration of the Events Period) in order to accommodate the Events Period and activities during the Construction and Tear Down Periods; (b) the streets onto which traffic within and coming into and leaving the City will be diverted and directed around the Race Area; (c) adjustments needed for the traffic signals system; (d) the special or dedicated access routes for Municipal Services Vehicles into, around and out of the Race Area; (e) the location of entry points into and vehicle and pedestrian (including ADA access) routes around the Race Area for local residents, visitors, businesses (including hotels and their guests), delivery vehicles, Race Events patrons, concessionaires, and ROLLC employees, contractors, event workers and guests; (f) recommended adjustments to the routes for the City's regular public transit services to scheduled public transit services outside the City limits, and changes or adjustments to the City's on- and off-street parking regulations; (g) the locations within the City and within the surrounding counties where parking will be available to Race Events patrons; (h) the type and frequency of supplemental private local transportation that will service the Race Area from parking facilities within and outside the City limits; and (j) the manner in which the City and ROLLC will publicize parking locations and local transportation. ROLLC and the City shall cooperate in the design and distribution of the notices to be distributed to residents, businesses, and visitors about travel and parking restrictions and local transportation alternatives.

4.5.4 Event Impact Plan. The Event Impact Plan shall describe in reasonable detail the mitigation measures that ROLLC will implement to minimize the effects, especially in the residential neighborhoods closest to the Race Area Perimeter, of the noise, light, traffic, crowds, and other reasonably identifiable effects that will be generated by Race Events. Among other elements, the Event Impact Plan will include:

(a) the types of Race Events to be held and any proposed promoters of such Race Events (as to which both the type of event and the promoter must be approved by the City) and the proposed locations for all Race Events, whether within or outside of the Perimeter;

(b) the permitted hours and minimum standards of operation of the Race Track (including any limitations on the hours during which any racing, qualifying or practice sessions may occur), Race Events and Race Facilities;

(c) a description of the ways in which the impact of the Race Events will be minimized on Impacted Facilities; and

(d) the standards and timing for the restoration of the Race Area and other Race Event Facilities outside of the Perimeter.

4.6 City Services Outside Race Area Perimeter. The City shall provide the same level of Municipal Services outside the Perimeter of the Race Area that it customarily provides at the time of any major sporting or cultural event.

4.7 City and ROLLC Services Inside Race Area Perimeter

4.7.1 The City shall provide Public Safety Services inside the Race Area Perimeter during the Events Period in accordance with the Event Management Plan. Any utilities required for the conduct of the Race Events must be secured by ROLLC directly with each applicable utility.

4.7.2 ROLLC shall provide the following services, consistent with the requirements and standards of the Event Management Plan, at its sole expense inside the Race Area Perimeter as of and when the City turns control of the Race Area over to ROLLC (pursuant to Section 4.8.1 below) throughout the Events Period, and in connection with any Construction and Tear Down activities that occur outside the Events Period: security, street sweeping, trash collection and removal, sanitation (portable toilets or access to permanent toilet facilities, and non-potable water), cleaning, and hazardous materials handling. ROLLC may but is not required to hire, at ROLLC's cost, members of the City's police force to work "**special details**" at prevailing rates during Race Events under the supervision of the security contractor hired by ROLLC. During the Events Period and the Construction and Tear Down Periods, the City shall place trash dumpsters at the locations mutually designated by ROLLC and the City, and the City shall arrange for the dumpsters to be emptied on an as-needed basis. In addition, the City will make available, at agreed upon times and dates, and at the City's cost, three street sweeping units for the Event Period to sweep the Race Track, but shall not otherwise have any street-sweeping responsibility within the Perimeter.

4.8 Race Area Access and Control.

4.8.1 The Event Improvements Plan shall include a schedule of the dates when, to accommodate Construction, streets and sidewalk areas within the Race Area or in adjacent locations (if necessary) shall be partially or wholly closed to ordinary vehicular and pedestrian traffic (*see also* Section 5.2.2 below), all of which must be approved by the City, particularly if changes are made after approval of the Event Management Plan. At midnight (12 a.m.) of the

first day of the Pre-Events Period, and subject to all Required Permits, the City shall provide ROLLC with primary responsibility for access to and the performance of various services within the Race Area, and ROLLC shall be primarily responsible for controlling access to the Race Area as needed to accommodate all Race Events (including but not limited to such lesser controls as may be needed to complete Construction and Tear Down, provided that such lesser controls will be set forth in and governed by the Event Management Plan). ROLLC shall be relieved of such primary obligations in accordance with the schedule contained in the Event Improvements Plan (*see also* Section 5.2.3 below). ROLLC shall be responsible, at ROLLC's cost, throughout the Construction and Tear Down Periods and the Pre-Events Period for appropriately closing lanes to traffic and for directing traffic safely through remaining lanes, in each instance, as approved by the City.

4.8.2 Throughout the Periods of Primary ROLLC Responsibility, and for any portion of the Tear Down Period during which ROLLC needs to restrict access to any portion of the Race Area in order to perform Tear Down, ROLLC shall have primary responsibility for maintaining security. Accordingly, ROLLC shall control, regulate and limit access to the Race Area by all non-essential and non-emergency persons including but not limited to: ROLLC personnel, contractors and licensees; IndyCar officials, participants and support personnel; Race Events patrons and guests; and Race Concessions operators and delivery personnel. Throughout the Periods of Primary ROLLC Responsibility, ROLLC shall ensure that City personnel and Municipal Services Vehicles have prompt access to and from the Race Area as and when necessary. In the event it becomes necessary and appropriate in order to meet or handle an emergency, the City shall, consistent with its procedures for any emergency, provide supplemental Public Safety Services to the Race Area, at no cost to ROLLC.

4.8.3 ROLLC will work with residents and entities whose businesses are located within and around the Race Area Perimeter to mitigate disruptions for such businesses or residents resulting from the Construction, the Tear Down and the Race Events. The City shall assist and support ROLLC's efforts with said business owners and operators. ROLLC's plan to mitigate impacts within and outside the Race Area Perimeter will be described in the Event Impact Plan (Section 4.5.4 above) and will be reviewed and approved by the City pursuant to Section 4.5 of this Agreement.

4.8.4 In no event shall any trees be removed from the Race Area without the prior written consent of the City, and any activities involving trees within or adjacent to the Race Area must be done in full compliance with City regulations, applicable laws and any specific requirements established by the City.

4.9 Promotional Activities.

4.9.1 Complimentary Tickets. Each year during the Term of this Agreement, ROLLC shall provide multi-day passes (with paddock access) for the Race approximately forty-five (45) days prior to the Race in the following amounts: (i) 300 to city-wide community groups, (ii) 100 to neighborhood associations representing Impacted Communities, (iii) 400 to the retirement communities within or along the Perimeter, and (iv) 300 to the City (along with access to a Hospitality Area). The City will also be provided with a designated seating area among the grandstands, mutually acceptable to both ROLLC and the City.

4.9.2 MBE/WBE; Local Contracting and Hiring.

(a) ROLLC shall comply with all City laws regarding contracting with minority- and women-owned businesses.

(b) ROLLC will, in addition, use commercially reasonable efforts to award at least 25% of the contracts under its control to Baltimore-based and qualified business enterprises. ROLLC will, to the best of its ability while using sound business judgment, make an effort to include vendors and suppliers that participated in the 2011 Race.

(c) ROLLC shall comply with the Mayor's Employ Baltimore Executive Order by using reasonable efforts to hire at least 35% of its local labor force for the Race and Race Events from qualified individual residents of Baltimore City.

(d) ROLLC shall meet and confer with the Mayor's Office of Employment Development of the City to develop plans, which will, *inter alia*, identify ROLLC's strategy to meet the foregoing hiring requirements.

(e) ROLLC shall meet and confer with the City's Minority and Womens' Business Opportunity Office to ascertain available and eligible MBE/WBE firms to participate in the Race to the extent required to meet the foregoing.

(f) ROLLC will use its website to advertise opportunities for contracting (not limited to those firms expected to benefit from the above provisions).

4.9.3 Advertising and Public Relations.

(a) ROLLC shall work with the City on an appropriate advertising and promotional campaign that promotes the City of Baltimore as well as the Race and other Race Events.

(b) ROLLC shall consult with the City about locations in the City where ROLLC intends to install Decorations at ROLLC's expense, and shall be subject to Applicable Laws and the City's existing process, permits, fees and approval requirements for the installation of similar decorations. However the final locations of any Decorations outside of the Race Area must be approved by the City as part of the Event Management Plan.

(c) The City may, at its expense and in consultation with ROLLC, provide and install inside the Race Area Perimeter a reasonable number (to be determined) of banners, signs or displays (*e.g.*, facsimiles of the City's seal adhered to barriers along the Race Track) that feature the City.

(d) The City may, at its sole expense, prepare a video presentation about the City and require that ROLLC broadcast the video on the large scale television screens to be temporarily installed within the Race Area at mutually agreed upon times and frequencies during the Events Period. The length of said video shall be mutually agreed upon by the Parties, but the City shall be solely responsible for its content and cost, which shall conform to the FCC's and the network's broadcasting standards.

4.9.4 Marketing and Promotion. Each Race Event on each day of the Event Period shall have and use the official name “The Baltimore Grand Prix” at all times during the term of this Agreement, and ROLLC shall be permitted to include in said name the third party title and presenting sponsors, with the order or location of said sponsors’ names determined by ROLLC and said third parties, provided that the City must approve any sponsor whose name appears with “The Baltimore Grand Prix,” which approval shall not be unreasonably withheld. All marketing and promotional materials used by ROLLC may contain a logo of the City’s seal, provided the design or selection of a reasonable size is mutually acceptable to the Parties, however any use of the City’s name, logo or other intellectual property in conjunction with any sponsor must be approved in writing by the City. ROLLC shall notify and invite the City to all Race Events-related major press conferences, parties, receptions and similar large-scale media events, and ROLLC and the City shall obtain the other Party’s advance approval of the content of all press releases that are issued jointly by ROLLC and the City.

4.10 Parking and Storage.

4.10.1 Temporary Storage Lots. The City shall identify one or more City-owned open lots at which ROLLC can temporarily store Race Materials for up to forty-five (45) days prior to the Race and up to forty-five (45) days after the Race. ROLLC shall enter into a standard City lease for such lots for which the rent will be nominal; however, ROLLC will be responsible for all other costs associated therewith, including the costs of (a) transporting Race Materials to and from such location(s), (b) maintaining and paying for all insurance costs pertaining to storage and transportation of the Race Materials, and (c) providing security for the Race Materials while the same are stored at said locations and during the Race Events, including, if not presently located at the lot, appropriate fencing and alarms.

4.10.2 Long-Term Storage Areas. The City shall assist ROLLC in identifying one or more locations - totaling approximately 100,000 square feet of hard-packed surface within 1 -2 miles of the Race Area - that can be leased or licensed to ROLLC for the long-term (year-round) storage of Race Materials, which ROLLC may use (assuming a closer location is not available) to stage some or all of the Race Materials. In connection with such storage location, ROLLC shall be solely responsible for all rental and leasing costs associated therewith, including the costs of transporting Race Materials to and from such location(s), for all insurance costs pertaining to storage and transportation of the Race Materials, and for providing security for the Race Materials.

4.10.3 Parking Rights Agreement.

(a) The Parking Rights Agreement shall address, among other things, ROLLC’s Ticket Sale Rights and the use of parking spaces that will be restricted to Race Events ticket-holders and patrons. The City shall support ROLLC’s efforts to obtain similar agreements with the owners of Private Parking Lots for the Race Events Period,

(b) The Parking Rights Agreement will require ROLLC to reimburse the City, in accordance with paragraph (a)(iii) of **Exhibit D**, for the lost revenue from any parking spaces in City-owned parking facilities, including surface lots and garages, that are sold to Race Event ticket holders.

ARTICLE V – Venue Construction

5.1 Street Improvements - Year One

5.1.1 ROLLC has provided the City with a proposed Race Area Plan, which identifies the layout of the Race Track.

5.1.2 The City and ROLLC shall finalize the list of any repair work they jointly determine will be necessary to secure IndyCar approval. Subject to the terms of this Agreement the City shall be responsible for completing the identified repairs not later than August 1, 2012.

5.2 Subsequent Street Improvements. The parties acknowledge that the Race Track was certified by IndyCar as meeting Street Race Standards for the 2011 Race, and except for any repairs required as a result of street work undertaken since the 2011 Race, no further work will be needed to conduct the 2012 Race. Not later than November 1st of each year following the 2012 Baltimore Grand Prix, ROLLC and the City shall jointly determine what, if any, work is needed to insure that the Race Track will continue to be IndyCar-certified and meet the Street Race Standards (“**Subsequent Required Street Improvements**”), which, subject to Section 10.1.2(d), shall be performed at the sole cost of the City, but only if such costs are part of the normal and customary annual maintenance program for such streets, as determined by the City’s Department of Transportation. The Parties shall also cooperatively determine whether the Race Track should use or incorporate streets not used for the Race Track in 2012, or make any changes to the curbs, sidewalks and other elements of the streets that were part of the Race Track in 2012 (“**Subsequent New Street Improvements**”, which together with Subsequent Required Street Improvements, constitute “**Subsequent Street Improvements**”). In addition, to the extent that Street Race Standards are materially changed and require new work to be done to the Race Track, all such work shall be treated as Subsequent New Street Improvements. Subject to Section 10.1.2(d), ROLLC and the City shall share, 60% to ROLLC and 40% to the City, the costs of completing Subsequent New Street Improvements.

5.2.1 The City (with the consulting involvement of ROLLC and the IndyCar if and as deemed necessary by the Parties) shall prepare the bid documents (if any) required for the Subsequent Street Improvements. The City may allow ROLLC to review the proposals submitted by contractors regarding the Subsequent Street Improvements, however Applicable Law will govern the selection of the winning bidder.

5.2.2 ROLLC shall deposit with the City prior to the award of any contract for Subsequent New Street Improvements, fifty percent (50%) of ROLLC’s share of such costs. The balance of ROLLC’s share of such costs shall be due and payable within ten (10) days after the City presents an invoice for such costs to ROLLC.

5.2.3 The City or its contractor(s) shall be responsible for completing all Subsequent Street Improvements not later than sixty (60) days prior to the commencement of each year’s Pre-Events Period.

5.3 General Provisions regarding Street Improvements.

5.3.1 Inspections. At any time while work on the 2012 repairs or Subsequent Street Improvements is in progress and upon reasonable advance notice to the City, representatives of ROLLC and the IndyCar shall have the right to inspect the construction work underway and determine whether when it is completed, the locations on the Race Track at issue will conform to Street Race Standards, or if the construction work being performed does not conform to the specifications in the bidder's contract. The City may, upon reasonable advance notice, request that ROLLC or its designee accompany City inspectors supervising the repair work for the 2012 Race and Subsequent Street Improvements. Before the City accepts work from and releases any third-party contractor performing Subsequent Street Improvements, the City shall notify and afford ROLLC with the opportunity to inspect the work performed, within ten (10) days after ROLLC receives the City's notice. After such inspection, ROLLC shall promptly notify the City about further or additional work (if any) necessary to conform to Street Race Standards. The City shall determine if such work is needed and how such work will be performed, including whether such further or additional work shall be subject to the change order provisions of the City and bidder's contract(s).

5.3.2 Ordinary Street Repairs. At any time during the Term of this Agreement that the City receives a request for a street-opening or curb cut permit or other permission to disturb any street or associated areas of the Race Track, or if the City intends to conduct repairs or modifications to any of the streets that comprise the Race Track, the City shall provide ROLLC with reasonable notice after receipt of such a request or determination, and the opportunity for ROLLC to review said request and provide comments to the City as to the impact of said request to Race Track. The City will, to the extent deemed appropriate, incorporate ROLLC's comments into the work to be performed so as to minimize the impact of the work on the integrity of the Race Track. Before the City releases the contractor performing any such work, the City shall promptly afford ROLLC with an opportunity to inspect the work performed and to notify the City about any additional work necessary, in ROLLC's reasonable opinion, to conform to the Street Race Standards. If appropriate, the City shall require the contractor to complete any such additional work promptly and the party responsible for payment for such work shall be determined by the City.

5.3.3 Emergency Street Repairs. At any time during the Term of this Agreement, the Parties acknowledge that unforeseen events or occurrences may require emergency repairs to one or more streets that will comprise the Race Track. Nothing in this Agreement shall preclude the City or any utility company from effecting such necessary emergency repairs or require the City or utility company to provide ROLLC with advance notice of same. *However*, in the event any such emergency repairs are performed, the City shall provide ROLLC with prompt notice of such work and as soon as practicable, afford ROLLC with the opportunity to inspect the completed work. If ROLLC notifies the City that (and how) the repaired street fails to conform to Street Race Standards, the City shall take the appropriate next steps, consistent with its standard practices and its obligations under this Agreement.

5.4 Construction and Tear Down of Event Improvements.

5.4.1 Beginning at midnight (12 a.m.) on the first day of Pre-Events Period the City shall (a) close streets and sidewalks inside the Race Area Perimeter to normal pedestrian and vehicular traffic in accordance with the Event Management Plan, and (b) subject to all

Required Permits, Applicable Law, unanticipated exigencies (such as emergencies, casualties and other unforeseen events) and the terms of the Event Management Plan, ROLLC shall assume primary responsibility within the Race Area, consistent with Section 4.8.1.

5.4.2 Subject to all Required Permits, ROLLC may initiate Construction of Event Improvements at any time within the Construction Period, consistent with the Event Management Plan. To the extent Construction requires the temporary closure or narrowing of City streets or sidewalks prior to the commencement of the Events Period, ROLLC shall use its best efforts to minimize disruptions to normal pedestrian and vehicular travel, consistent with the requirements and timing of the Event Management Plan.

5.4.3 All Construction and Tear Down costs regarding Event Improvements, and costs relating to restoration mutually agreed upon by the Parties of the sites used for Event Improvements shall be borne by ROLLC.

5.4.4 ROLLC shall complete all Tear Down of Event Improvements and return the Race Area to its original condition, normal wear and tear excepted, and otherwise consistent with the Event Management Plan, not later than the termination of the Tear Down Period. ROLLC shall use its best efforts to ensure that all streets within the Race Area Perimeter are open to normal vehicular traffic by midnight (12:00 AM) of the fifth (5th) full calendar day after the end of the Events Period (with street openings commencing during that time period as Tear Down progresses), and all streets and sidewalks are open to normal pedestrian traffic by 6:00 AM the third (3rd) calendar day after the end of the Events Period.

5.4.5 Notwithstanding the above, all major thoroughfares (as defined by the City) must be open for traffic no later than midnight after the end of the final day of the Events Period.

ARTICLE VI – Race Events

6.1 Except as otherwise provided herein, commencing in 2012, or as otherwise mutually agreed, and continuing each year during the Term of this Agreement (including extensions) unless otherwise agreed by ROLLC and the City, the Events Period for the Baltimore Grand Prix shall be a mutually agreed upon Friday, Saturday, and Sunday in August or September, and such final dates shall be incorporated into the Event Management Plan. The parties agree to use commercially reasonable efforts to hold the Race in each year on the weekend that includes Labor Day (the “**Labor Day Period**”), recognizing that in 2015, a scheduled convention may not permit that time period. However, in any year when the Parties, with the concurrence of the IndyCar and/or ALMS, mutually agree that another special event, sporting event, or other similar activity will so impact the Baltimore Grand Prix that it is not feasible or desirable to conduct the Baltimore Grand Prix during the Labor Day Period, the Parties shall agree upon and arrange a different mutually agreeable three-day period for the Baltimore Grand Prix. The Parties further acknowledge that the agreement of the Ravens, the Orioles and MLB may be required for the scheduling of each Race, in which event ROLLC must secure all necessary agreements or consents for each set of Race dates no later than March 1 of the applicable calendar year. The Parties intend that the schedule for the Race shall not be changed except for a good and sufficient reason, and they shall confer in good faith about any

proposed schedule alteration. The City acknowledges that (a) the availability of the Labor Day Period is a material financial factor in the anticipated success of the Race, and (b) ROLLC will not be forced to conduct the Race on an alternative weekend if the consequence is likely to result in a financially unfeasible event; provided that, absent a change mutually agreed-upon by the Parties, the 2015 Race will not be held during the Labor Day Period. Therefore, the City agrees that it will actively support and promote the reservation of the Labor Day Period for each Race (except as noted above), and will not support or encourage any events which may cause the Labor Day Period to be unavailable for each Race (other than 2015).

6.2 Subject to the continuing rights of the Impacted Facilities to continue with their business operations, ROLLC shall have the exclusive right to sponsor and conduct any Race Events within the Race Area Perimeter during the Period of ROLLC Responsibility, so long as ROLLC obtains and possesses all Required Permits and such Race Events have been approved by the City either as part of the Event Management Plan or otherwise. ROLLC agrees, for itself and any Affiliates, that it will not conduct, promote or invest in a sanctioned or unsanctioned automobile race, or any events in competition with the Race Events, at any time during the Term of this Agreement, anywhere within a one hundred fifty (150) mile radius of Baltimore's City Hall ("**Protected Area**"); notwithstanding the foregoing, ROLLC (including any Affiliates) may, with the express, written, advance consent of the City which shall not be unreasonably withheld, conduct, promote or invest in such events conducted within the Protected Area.

6.3 Subject to any pre-existing rights and authorizations, including the rights of the Impacted Facilities to continue with their business operations, the City shall not issue any special event or concessions permit to any person, firm or entity for any activity or event which would take place during the Pre-Events Period or Events Period within the Perimeter of the Race Area without consulting with and obtaining prior consent from ROLLC, which consent shall not be unreasonably withheld.

6.4 Subject to any pre-existing rights and authorizations, including the rights of the Impacted Facilities to continue with their business operations, in connection with all of the Race Events (and unless precluded by contracts to which the City is not a party or is already a party to), ROLLC shall have the exclusive rights to operate or to license others to operate the Race Concessions (as defined in Article 1) within the Race Area Perimeter, and to retain all proceeds from the Race Concessions, subject to the obligation to pay sales or other applicable taxes and the terms of **Exhibit E**.

6.5 Notwithstanding any other provisions of this Agreement, ROLLC shall be solely responsible for securing and paying for any license(s) or permit(s) required in connection with the sale of alcoholic beverages.

ARTICLE VII – Representations and Warranties

7.1 **By ROLLC:** ROLLC hereby represents and warrants that:

7.1.1 ROLLC is a limited liability company duly organized under the laws of the State of Maryland.

7.1.2 ROLLC has the legal authority to perform all of the acts assigned to it by and under this Agreement and all other documents contemplated hereby, and the person executing this Agreement on behalf of ROLLC is duly authorized to do so and to fully and firmly bind ROLLC to the terms and provisions of this Agreement and all such other documents. The execution and delivery of this Agreement by ROLLC will not violate any provisions of Applicable Law, or any judgment, decree, order or agreement to which ROLLC is a party or by which ROLLC is bound.

7.1.3 There are no pending or to the best of ROLLC's knowledge any threatened actions or proceedings before any court or administrative agency to which ROLLC is a party that question the validity of this Agreement or any document contemplated hereunder, or that appear likely, in any case or in the aggregate, to materially adversely affect ROLLC's performance of its obligations under this Agreement.

7.1.4 The Financial Materials made available to the City were true and complete as of the date of each, and there have been no material adverse changes in the financial condition of each of the Key Participants since that date.

7.2 By the City: The City hereby represents and warrants that:

7.2.1 The City is a municipal corporation duly-organized, chartered and existing under the laws of the State of Maryland.

7.2.2 Subject to securing the Required Permits, the City has authority to perform all of the acts assigned to it by and under this Agreement and the person executing this Agreement on behalf of the City is duly authorized to do so.

7.2.3 There are no pending or to the best of the City's knowledge any threatened actions or proceedings before any court or administrative agency to which the City is a party that question the validity of this Agreement or any document contemplated hereunder, or that appear likely, in any case or in the aggregate, to materially adversely affect the City's performance of its obligations under this Agreement.

ARTICLE VIII – Indemnification

8.1 ROLLC shall indemnify the City, its elected and appointed officials, employees or authorized agents, and Visit Baltimore, Inc. and Old Otterbein Church (and its or their officers, agents and administrators), and hold them harmless from and against any and all claims, demands, actions, suits or proceedings at equity or law asserted by third parties for damages, losses, liabilities, liens, or costs of any kind or type (including without limitation reasonable attorneys' fees as and when incurred) (hereafter collectively "Claims"), that are proximately caused by or arise from (a) a material breach by ROLLC or any of its officers, employees, or authorized agents of any covenant, obligation, representation or warranty set forth in this Agreement; (b) any gross negligence or willful misconduct by ROLLC or any of its officers, employees, authorized agents, licensees, contractors, subcontractors or concessionaires in connection with any of the Race Events, Construction or Tear Down; (c) any defective condition or any occurrence within the Race Area Perimeter during the Periods of Primary ROLLC Responsibility proximately caused by or attributable to any act or omission by ROLLC, its

authorized agents, licensees, employees and contractors, whether or not proximately caused by or attributable to any act or omission by the City or its elected or appointed officials, authorized agents or licensees unless such act or omission by the City, its elected or appointed officials, or its authorized agents or licensees was intentional, reckless or the result of the gross negligence of any of them; or (d) the use of the designation BALTIMORE GRAND PRIX. Upon receipt of any Claim, the City shall promptly notify ROLLC, and the City may thereafter, at its option, tender the defense thereof to ROLLC or its insurer. ROLLC shall pay all costs and expenses (including attorneys and expert witness fees) of defending or settling such Claim, and ROLLC shall not seek reimbursement for or contribution to the same by the City unless under the judgment entered the City is deemed liable. ROLLC shall not enter into a binding settlement of any Claim until after it consults with the City Solicitor. The City shall in connection with the Claims cooperate with ROLLC, its attorneys, and its insurer and shall instruct its elected and appointed officials, employees, and authorized agents to do the same. The City will require that ROLLC obtain appropriate insurance to support the indemnity contained in this provision.

8.2 The City agrees, to the extent permitted by Applicable Law, to indemnify and hold harmless ROLLC, its employees and authorized agents (including but not limited to construction contractors) from and against any and all claims, demands, actions, suits or proceedings at equity or in law asserted by third parties for damages, losses, liabilities, liens, or costs of any kind or type (including without limitation reasonable attorneys' fees as and when incurred) (hereafter collectively "Claims"), that are proximately caused by or arise from (a) a material breach by the City of any covenant, obligation, representation or warranty set forth in this Agreement; (b) any gross negligence or willful misconduct by the City or any of its elected or appointed officials, employees, or directly authorized agents that is acting on behalf of the City in performing work required by this Agreement (collectively, the "City Group"; provided that in no event will the City Group include the general public or anyone whose sole relationship to the City and the Race Events is that of a permittee or licensee) in connection with any of the Race Events, Construction or Tear Down; or (c) any defective or dangerous condition of the Race Area that was proximately caused by or attributable to any intentional act or omission by one or more of the City Group or the gross negligence of any of them. Upon receipt of any Claim, ROLLC shall promptly notify the City, and ROLLC may but is not required to tender the defense thereof to the City. If ROLLC elects to tender the defense of a Claim to the City, the City shall pay all costs and expenses (including attorneys and expert witness fees) of defending or settling such Claim. If ROLLC assumes the defense of any Claim, ROLLC shall pay all costs and expenses (including attorneys and expert witness fees) of defending or settling such Claim and shall not seek reimbursement for or contribution to the same by the City unless under the judgment entered the City is deemed liable. ROLLC shall in connection with the Claims cooperate with the City and its attorneys, and shall instruct its officers, employees and authorized agents to do the same.

8.3 Neither the City nor ROLLC shall be liable for incidental or consequential damages suffered by the other Party in connection with a Claim, but nothing in this subparagraph shall relieve the other Party from its duty to defend and indemnify.

8.4 The Parties' respective obligations under this Article shall survive the Termination of this Agreement.

ARTICLE IX – Insurance

9.1 ROLLC shall procure and maintain the following insurance coverages (or any higher or broader coverages required by the Sanction Agreements), for which the term shall commence on the date the Construction of Event Improvements are scheduled to begin and terminate on the date the Tear Down of Event Improvements is scheduled to end:

9.1.1 Workers compensation insurance in the amount(s) required under and in accordance with the State of Maryland’s statutory requirements and Employer’s Liability insurance with limits of not less than \$1,000,000 (One Million Dollars) per accident;

9.1.2 General commercial and automobile liability insurance with combined single limits of not less than \$5,000,000 (Five Million Dollars) per occurrence for events and activities related to or arising from any of the Race Events *except* the Baltimore Grand Prix but including Construction and Tear Down of Event Improvements, and not less than \$20,000,000 (Twenty Million Dollars) per occurrence for events and activities related to or arising from the Baltimore Grand Prix. Said insurance shall provide broad form contractual liability, participants’ legal liability, TRIA (Terrorism Risk Insurance Act), temporary Race Track liability coverage, spectator coverage, and liquor liability protection, and fire legal liability protection in the amount of not less than \$50,000 per person and medical payments coverage of not less than \$10,000 per person. The policy or policies shall contain endorsements identifying the City’s elected and appointed officials and employees, ROLLC’s authorized volunteers, and Race Event spectators and participants as additional insureds (hereafter “Insured Parties”) with respect to all covered events. ROLLC’s insurance coverage shall be deemed primary insurance coverage for the Insured Parties, and any insurance or self-insurance carried by the Insured Parties shall be excess coverage and shall not contribute to ROLLC’s coverage limits.

9.2 All insurance policies procured pursuant to this Article shall be obtained from nationally-recognized insurance carriers that are qualified and licensed to write insurance in Maryland and have a current rating of or equivalent to “A-, VIII” by A.M. Best & Company.

9.3 All insurance policies procured pursuant to this Article shall provide, *inter alia*, that they may not be cancelled or materially changed in any respect unless the City is given, optimally, at least forty-five (45) days, but in any event no less than thirty (30) days, prior written notice of any default or material change. Any insurance policy procured pursuant to this Article may contain deductibles or self-insured retentions up to, but not in excess of, \$20,000.

9.4 ROLLC shall require that each of its contractors, subcontractors, licensees and concessionaires carry general commercial liability, worker’s compensation and employer’s liability insurance with the same limits, terms and conditions as applicable to ROLLC, except that limits of the general commercial liability insurance policy may be not less than \$1,000,000 (One Million Dollars) per occurrence for events and activities related to or arising from any of the Race Events *except* the Baltimore Grand Prix but including Construction or Tear Down of Event Improvements, and not less than \$2,000,000 (Two Million Dollars) per occurrence for events and activities related to or arising from the Baltimore Grand Prix. Such insurance policies shall be in place not later than ten (10) days in advance of any contractor’s, subcontractor’s, licensee’s, or concessionaire’s commencing any activity pertaining to any Race Events.

9.5 ROLLC shall provide copies of certificates of insurance on standard ACORD forms to the City. ROLLC's procuring insurance as provided in this Article IX shall not be construed to limit its obligations under Article VIII. All policies and coverages are subject to the final approval of the City.

9.6 Not more frequently than once a year during the Term of this Agreement, the policy limits described in this Article IX may be reviewed by the City, who may thereafter request increases in applicable limits, and ROLLC shall comply with all such requests that are commercially reasonable and based on a good faith reason(s). If at any time the City determines that the amounts of insurance or types of coverage required hereunder do not meet commercially reasonable standards for the undertakings required by this Agreement, upon sixty (60) days prior notice, the City may direct ROLLC to secure such other amounts or coverages. In addition, should there be a change in Applicable Law regarding the amounts or types of coverages or policies required, beyond or above those required hereunder, ROLLC shall, to the extent so required, comply in a timely fashion.

ARTICLE X – Termination

10.1 Termination.

10.1.1 ROLLC may terminate this Agreement upon giving written notice to the City as provided herein under the following circumstances: (a) the City fails to satisfy or perform one or more of the undertakings of the City set forth in Article 2 which would prevent or materially interfere with ROLLC's ability to conduct the Race Events, (b) the City fails to complete required repairs to the Street Improvements in a timely manner, (c) ROLLC is unable to secure, a Race Track Safety System under conditions acceptable to ROLLC in 2012, or (d) IndyCar and/or ALMS cancels the next year's Race or the applicable Sanction Agreement. Except as to the timing for completion of repairs to the Street Improvements, ROLLC must provide such notice no later than ninety (90) days prior to the applicable Pre-Events Period.

10.1.2 The City may terminate this Agreement upon giving written notice to ROLLC as provided herein under the following circumstances: (a) ROLLC is in material breach of any condition or obligation hereunder, and fails to cure such default (i) as to any payment obligation, insurance obligation, or breach of Section 2.2 of this Agreement, or failure to cooperate with the City, within five (5) business days of written notice from the City, or (ii) as to any other default, within thirty (30) days after written notice from the City; (b) the prior Race Events were not conducted substantially in accordance with the Event Management Plan; (c) the next year's Race is cancelled by IndyCar and ALMS or the Sanction Agreements are terminated by the IndyCar and ALMS, (d) the City determines, in its reasonable judgment, that the cost of Subsequent Street Improvements is unacceptably high when matched against the likely benefits to the City of the upcoming Race (which determination the City agrees to make within a reasonable period after such costs and/or benefits are determined), (e) the last-concluded Race fails to achieve the Minimum Ticket Sales or (f) ROLLC makes a voluntary assignment for the benefit of its creditors, or files a voluntary petition for bankruptcy protection, or is the subject of an involuntary petition for bankruptcy which is not discharged within sixty (60) days after the filing of such involuntary petition.

10.1.3 Any termination under clauses (b) through (e) of Section 10.1.2 above shall (a) be exercised in writing within thirty (30) days of a determination by the City that a default has occurred under one or more of such terms, and (b) be effective either immediately or as of the date set by the City in such notice of termination.

10.1.4 Notwithstanding any other provision of this Article X, ROLLC's failure to cure any payment obligation under any Material Agreement within five (5) business days of notice thereof, shall constitute a basis for immediate termination of this Agreement. Any amounts not paid to the City within the permitted cure period shall accrue interest from the end of the cure period until paid at the annual rate of eighteen percent (18%).

10.1.5 This Agreement may be terminated jointly by written agreement of the Parties at any time. In addition, ROLLC will have the right to terminate this Agreement at any time, provided that: (a) ROLLC provides a written termination notice at the earlier of: (i) 270 days before the Race to be held in that calendar year, or (ii) if the City has agreed to any repairs to the Race Track or Subsequent Street Improvements, prior to award of any contract to perform such repairs and/or Subsequent Street Improvements; (b) ROLLC and the Key Participants confirm in a writing reasonably acceptable to the City, the waivers, agreements and transfers set forth in Section 10.2.4, and execute such other documents as are reasonably necessary to effectuate any transfers; and (c) ROLLC provides evidence, reasonably acceptable to the City, that (i) ROLLC has provided for the reimbursement of all pre-paid tickets, (ii) ROLLC has reached accommodation with all vendors and service providers, and (iii) ROLLC or the Key Participants have complied with Applicable Laws in terminating the business and its employees.

10.2 Remedies.

10.2.1 If the City terminates this Agreement upon the occurrence of an event set forth in Section 10.1.2, then the City may proceed to exercise its rights in connection with the Ticket Escrow Account Agreement.

10.2.2 In addition to the rights of each Party under Section 10.1, and not in lieu thereof, the following shall be available to each Party upon the occurrence of a material breach by a Party in the performance of its obligations set forth in this Agreement which is not cured within any applicable cure period. Upon such event, the other party shall have the right to immediately file an action with a court of competent jurisdiction requesting an order granting any and all appropriate remedies, legal and equitable, including, without limitation, injunctive relief, specific performance, damages and/or an order requiring or precluding the conduct of a Race Event or any portion thereof, provided that the provisions of Section 11.19 shall apply to whatever remedies may be sought. The Parties hereto shall comply with the terms and conditions of any such order until the order is subsequently modified or revoked by such court or overruled pursuant to an appeal thereof filed by either Party hereto; provided, however, until a court order is obtained establishing the rights and obligations of the Parties pursuant to this Agreement and the default of a Party in the performance of its obligations and duties hereunder, no Party shall be excused from performance of its respective obligations pursuant to this Agreement except as otherwise specifically provided in this Agreement to the contrary. Nothing contained herein shall limit the legal and equitable rights of the Parties, *except that* neither Party shall be entitled to recover any incidental, consequential or punitive damages.

10.2.3 No failure by either Party to exercise and no delay in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

10.2.4. Any termination of this Agreement shall result in a termination as well of all rights granted to ROLLC in connection with the Race, including rights to any Race Event Work Product and the Baltimore Grand Prix Marks, and, to the extent leased from the City or made available by the City, Race Materials, and rights in any Required Permits. In addition, ROLLC hereby (a) waives and acknowledges that any of ROLLC rights to (i) the Event Management Plan and its components, (ii) the Racetrack and its layout and design, and (iii) the Race Area Plan and its elements (items (a)(i)-(iii) are collectively, the “**Race Rights**”), are and have been hereby granted to the City, as consideration for this Agreement, to use in any future Races whether or not this Agreement is still in effect and whether or not ROLLC has any right to conduct a Race or any similar activity; (b) acknowledges and consents to the City’s right to conduct one or more Races pursuant to the Race Rights and documents and agreements that may or may not be substantially identical to one or more of the Material Agreements, in the event of a termination or expiration of this Agreement; and (c) agrees on behalf of itself and, by the consent shown on the signature page of this Agreement, the Key Participants that it and they will not oppose, challenge or question the City’s right, upon any termination of this Agreement, to (i) conduct one or more Races at any time or times in the future utilizing some or all of the Race Rights, (ii) solicit and select other promoters and/or developers (generally, “**Promoters**”) for the purpose of conducting one or more of such Races, (iii) negotiate and acquire rights under documents having similar purposes and objectives to the Material Agreements for the benefit of either the City or Promoters or both, and (iv) use the Race Rights for any other purpose relating to the conduct of a Race.

10.2.5. Notwithstanding a termination, unfulfilled obligations, including any outstanding payments, and causes of action arising prior to a termination, as a result of a termination, or after a termination (but based on obligations not fully performed), will survive a termination of this Agreement.

ARTICLE XI – Miscellaneous

11.1 Notices. All notices required hereunder shall be in writing and shall be given by delivering same personally to an authorized person as provided herein, by mailing same by certified mail return receipt requested, or by causing same to be delivered the next business day by a nationally-recognized courier service signature required. If to ROLLC, notices shall be given to:

Race On LLC
c/o Grant Capital Management, Inc.
8894 Stanford Boulevard
Suite 203
Columbia, MD 21045
Attention: J.P. Grant & Gregory O’Neill

with a copy to (such copy not constituting notice):

Baltimore GP Motorsports, LLC
4200 Pennington Avenue
Baltimore, MD 21236
Attention: Gregory O'Neill

and with copies to (such copies not constituting notice):

Bruce H. Jurist, Esq.
Duane Morris LLP
Suite 2000
111 South Calvert Street
Baltimore, MD 21202

- and -

Greg Reamer, Esq.
Greg N. Reamer, LLC
2330 West Joppa Road
Lutherville, MD 21093

If to the City, notices shall be given to:

Stephanie Rawlings-Blake
Mayor of Baltimore
City Hall - Room 250
100 N. Holliday Street
Baltimore, MD 21202

with a copy to (such copy not constituting notice):

The City Solicitor
101 City Hall
100 North Holliday Street
Baltimore, MD 21202

and with a copy to (such copy not constituting notice) :

Mark Pollak, Esq.
Ballard Spahr LLP
300 East Lombard Street
Baltimore, MD 21202-1268.

Either Party may change its address for notices by providing the other Party with written notice as provided herein, which notice shall be effective upon receipt.

11.2 Assignment. This Agreement may not be assigned by either Party without the express written advance consent of the other Party, which consent may not be unreasonably withheld. Any change in the Control of ROLL by any means, whether by a single transaction

or a combination of transactions, shall constitute an assignment of this Agreement for purposes of this Paragraph 11.2. Any changes in the ownership of ROLLC or its Affiliates from the disclosure provided prior to the date hereof must be disclosed to the City at least seven (7) days prior to the effective date of such change (other than changes resulting from death or changes within any institutional investors or publicly- and widely-owned entities). Any assignment of this Agreement contrary to this Paragraph 11.2, whether voluntary or involuntary, shall be void and shall confer no rights upon an assignee.

11.3 Waiver. The waiver by either Party of a material breach by the other Party of any one or more of the covenants, conditions or provisions of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same or any other covenant, condition or provision of this Agreement, nor shall any failure by either Party to comply with or satisfy any of the covenants, conditions or provisions of this Agreement be construed as in any manner changing the terms hereof or prevent either Party from enforcing the full provisions hereof. The terms of this Agreement may not be changed or altered in any manner whatsoever except by a written agreement signed by both the City and ROLLC.

11.4 Time of the Essence. The Parties agree that with respect to the performance of all provisions of this Agreement time is of the essence. However any performance required for, or deadline that falls on, a date that is a Saturday, Sunday or legal holiday, shall instead be required on or face expiration on, the immediately succeeding business day.

11.5 Municipal Powers. Nothing contained in this Agreement shall be construed as a limitation on the municipal and police powers of the City.

11.6 Relationship of the Parties. This Agreement does not in any way constitute either Party the agent, employee or legal representative of the other Party for any purpose whatsoever except as expressly provided herein. The Parties are in all respects independent contractors and nothing contained in this Agreement shall create or be construed as creating a partnership or joint venture between them, and neither Party is authorized to or shall act toward third parties or the general public in any manner that would indicate such a relationship with the other Party. The City shall not be responsible for any debts incurred by ROLLC in connection with or related to any of the Race Events. Nothing in this Agreement shall be deemed to confer upon any other Person the rights of a third party beneficiary.

11.7 Maryland Law. This Agreement shall be deemed to have been executed, delivered and performed in the State of Maryland, and it shall be governed by and interpreted in accordance with the laws of the State of Maryland without regard to its conflicts law. Venue for any action brought in state courts shall be in a court of competent jurisdiction in Baltimore City. Venue for any action brought in federal court shall be in the District of Maryland (Baltimore Division).

11.8 Compliance with laws. ROLLC shall at all times when performing its obligations under this Agreement comply in all material respects with all applicable laws, ordinances, rules, regulations and codes of federal, state and local governmental entities having jurisdiction thereof.

11.9 Integrated Agreement. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matters covered hereby, except as otherwise expressly provided or referenced herein, and there are no binding oral representations, arrangements or understandings between or among the Parties relating to the subject matters of this Agreement. The Parties hereby acknowledge and agree that this Agreement expressly contemplates the creation of certain additional documents and agreements.

11.10 Amendments. No change to or modification of this Agreement shall be valid unless contained in and effected by a written amendment duly executed by both Parties hereto.

11.11 Ancillary Matters. The Mayor is authorized to agree to minor technical changes in this Agreement, execute ancillary documents, and modify the time for the performance of acts described herein if such acts are reasonably necessary to effectuate the City's performance hereunder.

11.12 Interpretation. The headings used herein are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement. When the context so requires, words or terms contained herein in the singular shall be deemed to be plural, and vice versa.

11.13 Severability. In the event that any portion of this Agreement shall be held to be invalid for any reason, such invalidity shall not affect the remaining portions of this Agreement, and the same shall remain in full force and effect.

11.14 Non-discrimination. In the performance of this Agreement, ROLLC shall not discriminate against any employee or applicant for employment, against any person using or desiring to use the premises of any of the Race Events, nor in the conduct of any Race Event on the basis of race, creed, sex, sexual preference, color, religion, political belief, age, disability or handicap, ethnicity or national origin. Notwithstanding the foregoing, the Parties hereby acknowledge that complying with Applicable Laws governing the use of minority-owned and women-owned businesses shall not be deemed a violation of this provision.

11.15 Force Majeure. In the event ROLLC or the City shall be delayed, hindered or prevented from the performance of any and all acts required under this Agreement or by Applicable Law, other than payment of any sums of money due, by reason of an act of God, fire, casualty, actions of the elements, delays in or challenges to the procurement process of the City, strikes, lockouts, other labor trouble, inability to procure or general shortage of labor, equipment, facilities, materials, supplies, failure of transportation or power, restrictive governmental laws or regulations, riots, insurrection, war or any other cause similar or dissimilar to the foregoing beyond the control of the parties (collectively, "**Force Majeure**"), the performance of such act or acts shall be excused for the period of delay, and the period for the performance of any such act or acts shall be excused for the period of delay, and the period of the performance of any such act or acts shall be extended for the period necessary to complete performance after the end of the period of such delay. Notwithstanding the foregoing, ROLLC will take reasonable steps to avoid the occurrence of any delay in connection with the Construction of the Event Improvements, and should any such delay occur, to minimize the impact of any such delay on the progress of completion of the Event Improvements. The parties specifically agree that

inadequate funds or funding will not constitute Force Majeure grounds for any delay in performance.

11.16 Copies. This Agreement may be executed in any number of copies, each of which shall be deemed to be an original. A facsimile copy of a signature shall be the same as an original thereof for all purposes relating to this Agreement.

11.17 Approval. The Mayor is hereby authorized to execute (a) each of the documents to which the City is a party, and (b) any and all other documents necessary or appropriate to effectuate this transaction, including amendments to this Agreement, provided such documents do not materially alter the relationship of the parties, and to grant such approvals and consents on behalf of the City as provided in this Agreement, including approval of the Event Management Plan.

11.18 Conflicts of Interest. No member, official, representative, or employee of the City or the City of Baltimore Development Corporation shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, representative, or employee participate in any decision relating to this Agreement which affects his personal interest or the interests of any corporation, membership, or association in which he is, directly or indirectly, interested.

11.19 Representatives Not Individually Liable. No member, official, representative, or employee of the City shall be personally liable to ROLLC or any successor in interest in the event of any default or breach by the City for any amount which may become due to ROLLC or its successor or on any obligations under the terms of the Agreement. No member, representative, or employee of ROLLC shall be personally liable to the City in the event any default or breach by ROLLC for any amount which may become due to the City or on any obligations under the terms of this Agreement.

11.20 Audits. To the extent necessary under this Agreement, including by way of example, to verify compliance with Section 4.9.2 or Exhibit E, and subject to Section 11.22, ROLLC shall make available to the City its records with respect to this Agreement, including financial records related to revenues from concessions, ticket sales, sponsorships, media rights, intellectual property and other sources, and the City may, at any time during business hours and as often as reasonably necessary, audit, examine and make copies from such records, including contracts, invoices, materials, records of personnel, conditions of employment and other data relating to matters covered by this Agreement.

11.21 Retention of Records. ROLLC shall retain and maintain all records and documents relating to this Agreement or any Material Agreement, including financial records related to revenues from concessions, ticket sales, sponsorships, media rights, intellectual property and other sources, for a minimum of three (3) years after termination of this Agreement and shall make them available for reasonable inspection and audit by the City or the City's representatives. The City will be provided with custody of the records should ROLLC cease to exist.

11.22 Confidentiality. To the fullest extent permitted by Applicable Laws, the City shall treat all proprietary materials and reports and all Financial Materials and related materials made available to the City as confidential and as exempt from any Applicable Laws relating to public information and/or freedom of information.

11.23 Date of Agreement. The date of this Agreement shall be the date upon which this Agreement has been approved by the Board of Estimates of the City.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, City and ROLLC have caused this Agreement to be executed, intending this to be under seal, as of the date first above written.

MAYOR AND CITY COUNCIL OF
BALTIMORE

ATTEST:

Custodian of the City Seal

By: _____
Stephanie Rawlings-Blake, Mayor

WITNESS

RACE ON LLC a Maryland limited liability
company

By: Grant Capital Partners, LLC, Manager

By: _____
J.P. Grant, Managing Member

By: Baltimore GP Motorsports, LLC,
Manager

By: _____
Gregory O'Neill, Managing Member

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY

THIS 10 DAY OF MAY, 2012

George A. Wilson
Chief Solicitor

APPROVED BY THE BOARD OF
ESTIMATES

Clerk

Date

Consent for purposes of Section 10.2.4 of this Agreement and confirmation of the accuracy of the representation made in Section 7.1.4 and the assurances relied upon by the City in Section 2.1.1.(b):



J.P. Grant


Gregory O'Neill

EXHIBIT A

RACE TRACK LAYOUT (AS OF MAY 1, 2012)

[attached]

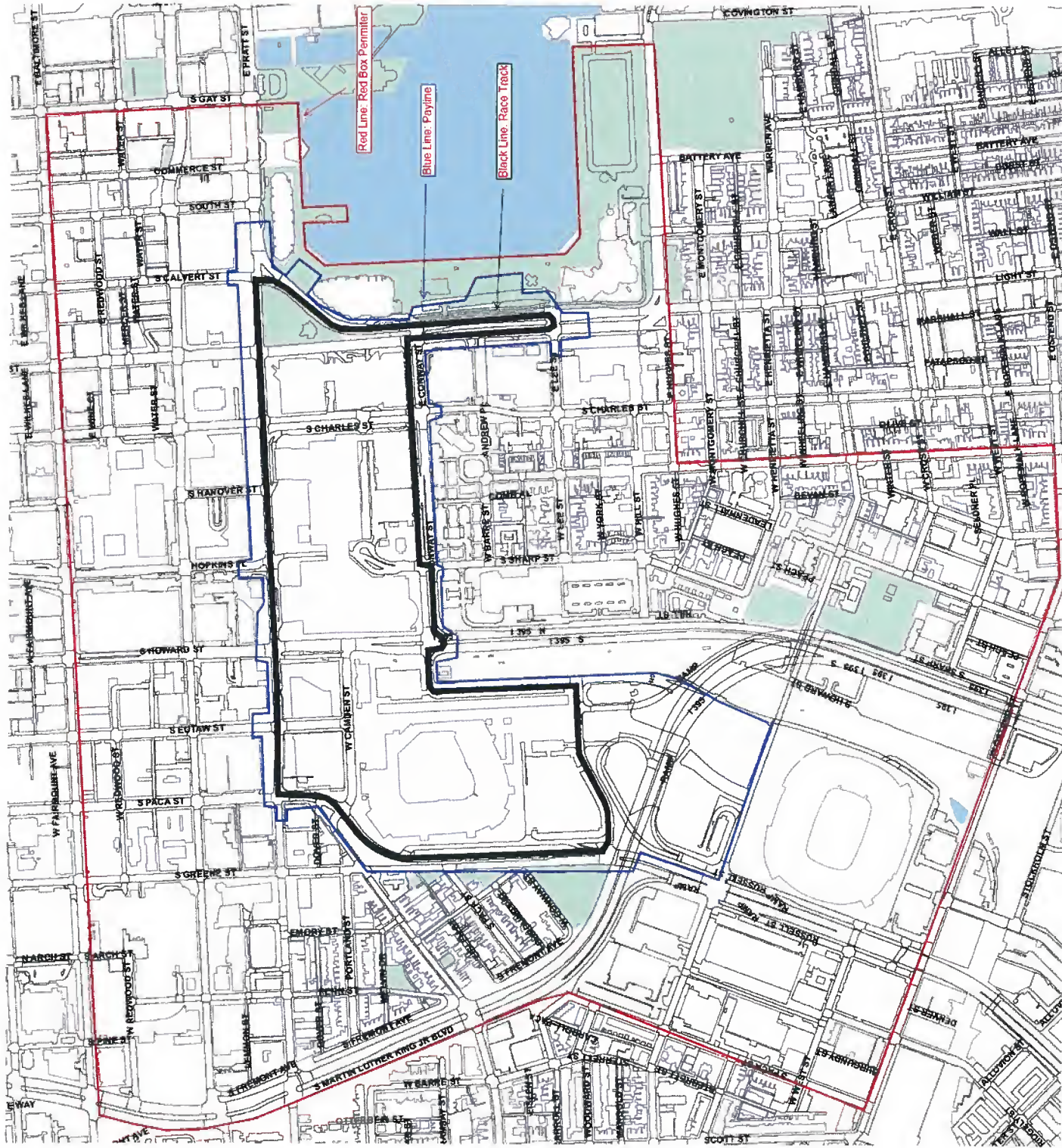


EXHIBIT B

KEY PARTICIPANTS

The following individuals (who are identified below the entity under which they are direct or indirect owners of ROLLC) are the Key Participants:

Grant Capital Partners, LLC, a Maryland limited liability company ("**GCP**") that is one of two members of ROLLC

Baltimore GP Motorsports, LLC, a Maryland limited liability company ("**Motorsports**"), that is one of two members of ROLLC

J.P. Grant, a Maryland resident, the Managing Member and principal owner (with exclusive managerial control) of GCP..

Gregory O'Neill, a Maryland resident, the Managing Member and principal owner (with exclusive managerial control) of Motorsports.

EXHIBIT C
RACING EVENT FEE SCHEDULE

The Racing Event Fee shall be a flat fee as follows

2012:	\$350,000
2013:	\$375,000
2014:	\$400,000
2015:	\$425,000
2016:	\$450,000

The Racing Event Fee for 2012 shall be paid by ROLLC to the City upon full execution of this Agreement. In each subsequent year, the Racing Event Fee shall be paid in full on or before the date which is thirty (30) days prior to the start of the applicable Race Period. In the event the Race is not held, through no fault of ROLLC, the parties shall agree upon a proper handling of the Racing Event Fee.

The City will make available, within thirty (30) days after the successful completion of the Race, to the Impacted Communities \$50,000 of each fully paid Racing Event Fee for benefits and improvements to the Impacted Communities.

“Impacted Communities” means those communities represented by the following associations: Federal Hill Neighborhood Association; Sharp-Leadenhall Planning Association; Otterbein Community Association; Harbor Walk Townhouse Association; Harborway Condo Association; Harborway East Condo Association; Ridgely’s Delight Association; and Harbor Court Condo Association.

EXHIBIT D REPORTING REQUIREMENTS

(a) ROLLC and its Affiliates (other than a natural person) will keep and maintain, and will cause each of its members to keep and maintain, full and accurate books and records administered in accordance with sound accounting principles, consistently applied, showing in detail the earnings and expenses of the Race and the operation thereof. ROLLC will keep and maintain its books and records, including recorded data of any kind and regardless of the medium of recording, at an address of ROLLC's choosing (within the State of Maryland). ROLLC shall permit an independent certified public accountant, selected by the City and reasonably acceptable to ROLLC (the "**Auditor**"), to inspect and examine, at ROLLC's expense, such books and records (regardless of where maintained) and all supporting vouchers and data in order to certify the truthfulness, accuracy and completeness of all reports provided by ROLLC under this Exhibit D, and to confirm the determination and accurate sizing of any payments required to be made by, or other financial commitments of, ROLLC to, or on behalf of, the City under this Agreement (the "**Auditor's Certification**"). ROLLC will furnish or cause to be furnished to the City the following information:

- (i) for each calendar month, by the 15th day following the close of any calendar month, beginning no later than a report delivered by June 15, 2012 covering the period from inception through the end of May 2012 an appropriately detailed narrative summary describing: (A) operating results and cash position, (B) ticket and hospitality sales, sponsorships, concession arrangements and similar or other sources of revenue, and (C) a current performance report (including anticipated times of completion for any Event Improvements); certified in writing as true and correct by ROLLC and subject to the Auditor's Certification.
- (ii) within thirty (30) business days after the end of Event Period, ROLLC shall provide a report to the City and to the Parking Authority (including any requisite payments thereunder) with respect to the requirements of Section 4.10.3(b) certified as true and correct by ROLLC and subject to the Auditor's Certification;
- (iii) within ninety (90) days after the end of each fiscal year of ROLLC, the City will have access to, for the purpose of inspecting, annual audited financial statements for ROLLC, including a balance sheet, income statement and cash flow statement, reserve balances, and audited financial statements for the prior year;
- (iv) within ten (10) days after filing, ROLLC shall provide the City for the purpose of inspecting, the federal income tax returns (including all Schedule K-1s and any information returns) for ROLLC;
- (v) no later than November 30th of each year, ROLLC shall provide the City with access to, for the purpose of inspecting, certified independently audited financial statement conforming with Generally Accepted Accounting Principles (GAAP) (the "**Financial Report**") detailing all revenues and expenses, including but not limited to, sponsorship revenue, hospitality sales, admission revenue, concession sales, and all other direct Race-related revenues. The Financial Report shall also list any material in-kind services and the market value of such services, as well as all ROLLC and affiliate

expenses, and shall also provide full details on “Distributed Cash” and “City Share” for the year, as those terms are defined on Exhibit E to this Agreement;

(vi) within ninety (90) days after the end of each fiscal year of ROLLC, a general financial report, including all the information provided in paragraph (i) of this Exhibit D and also summarizing material in-kind services received and providing full details on “Distributed Cash” and “City Share” for the year, as those terms are defined on Exhibit E to this Agreement, certified in writing as true and correct by ROLLC and as subject to the Auditor’s Certification; and

(vi) no later than December 1st of each year, an operating and capital budget for ROLLC for the next calendar year.

(b) From time to time within a reasonable period after the City’s request, such additional summary information, reports and statements respecting the Race, as the City may reasonably request, any such additional information, reports and statements being certified in writing as true and correct by ROLLC and as subject to the Auditor’s Certification.

(c) ROLLC will keep and maintain full and accurate books and records administered in accordance with sound accounting principles, consistently applied, showing in detail the earnings and expenses of the Race and the operation thereof. All financial statements shall be in form and detail satisfactory to the Auditor, and shall constitute a true and correct statement of ROLLC’s financial position. All fiscal year-end financial statements of ROLLC shall be audited and certified by the Auditor, without material qualification or exception, and shall contain all reports and disclosures required by generally accepted accounting principles for a fair presentation.

EXHIBIT E PROFIT SHARING

The parties acknowledge that it is in their best interests for the City to share in the distribution of certain operating profits of ROLLC. Therefore, the parties agree that should ROLLC distribute any “**Distributed Profit**”, the City shall receive ten percent (10%) of any such Distributed Profit (the “**City Share**”).

The “**Base Return**” shall in each Race year mean the sum of One Million Dollars (\$1,000,000.00).

The Base Return shall be in lieu of (and there shall be no distributions or payments made for such purposes, except to the extent that the City Share is distributed in conjunction with such payments, and no deduction from the revenues of ROLLC reported in accordance with **Exhibit D** for the purpose of demonstrating compliance with this **Exhibit E**) the following: (a) any amounts distributed as (i) preferred or other return on either loans or capital contributions originating from members or Affiliates, or (ii) other distributions not specified below as Permitted Distributions; (b) salaries to any Key Participant (or family member); (c) amounts payable on contracts with any Affiliates; and (d) any other amounts payable to Key Participants and/or their Affiliates that are not Permitted Distributions.

“**Permitted Distributions**” shall mean (a) amounts distributed to Affiliates of ROLLC to pay their federal and state income taxes incurred as a result of ROLLC’s operations; (b) repayment of loans, and any reasonable interest thereon, secured from non-Affiliates; and (c) repayment of loan principal and capital contributions (but not any interest or return thereon), secured from Affiliates.

“**Distributed Profit**” shall mean cash, in excess of the Base Return and the Permitted Distributions, actually distributed by ROLLC to its members and/or the City, recognizing that ROLLC may establish reasonable reserves for working capital and the capital needs of the subsequent Race, it being understood that until termination of this Agreement, ROLLC shall not be obligated to make any distributions of profits.

In the event of a termination of this Agreement (whether by expiration or otherwise), ROLLC shall, (a) within ten (10) calendar days of notice of a termination, or (b) in conjunction with the Financial Report required under item (a)(vi) of **Exhibit D**, deliver to the City the City Share of any reserves. In the event that ROLLC elects to make a distribution of profit that includes Distributed Profit, the payment of City Share shall be due and owing with the delivery of the Financial Report.

In no event shall ROLLC offer or enter into a revenue-sharing arrangement to or with any other political body, subdivision, agency or unit of government.

EXHIBIT F GENERAL COVENANTS AND OBLIGATIONS

Section 1.1 Commencement and Completion of Construction.

ROLLC shall cause the Construction of the Event Improvements to be commenced and prosecuted in a good and workmanlike manner and shall cause the same to be completed in accordance with the Event Improvements Plan.

Section 1.2 Approval of Construction.

No work associated with the Construction of the Event Improvements shall be commenced by ROLLC unless and until the applicable Permits have been validly issued and all bonds and any other security required in connection therewith have been posted; any fees payable in connection with such Permits will be payable from the Racing Event Fee.

Section 1.3 Compliance with Laws; Encroachments.

The Event Improvements shall be constructed in accordance with all Applicable Laws (whether present or future).

Section 1.4 Inspections; Cooperation.

ROLLC shall permit representatives of the City to inspect the Event Improvements and any and all materials to be used in connection with the Construction of the Event Improvements, to examine all detailed plans and shop drawings and similar materials as well as all records and books of account maintained by or on behalf of ROLLC relating thereto and to discuss the affairs, finances and accounts pertaining to the Event Improvements with representatives of ROLLC. ROLLC shall at all times cooperate and cause each and every one of its subcontractors and material suppliers to cooperate with the representatives of the City with or in aid of the performance of the City's functions under this Agreement.

Section 1.5 Contracts, Vouchers and Receipts.

ROLLC shall maintain its books and records as required by Sections 11.20 and 11.21 and by **Exhibit D** of this Agreement.

Within fifteen (15) days after receiving notification from the City, ROLLC shall deliver to the City any and all of the following information and documents that the City may reasonably request, all in forms acceptable to the City:

- (a) Current plans and specifications for the Event Improvements; and
- (b) A current construction progress schedule showing the progress of construction and the projected sequencing and completion times for uncompleted work, all as of the date of the schedule.

If, based on any construction progress schedule or other materials submitted by ROLLC, the City reasonably determines that the Event Improvements will not be completed by the Events Period, the City may request ROLLC in writing to reschedule the work of Construction to permit timely completion. Within fifteen (15) days after receiving such a request from the City, ROLLC shall deliver to the City a revised construction progress schedule showing completion of the Event Improvements by the Events Period.

Section 1.6 Payment and Performance of Contractual Obligations.

ROLLC shall perform in a timely manner all of ROLLC's obligations under all contracts and agreements related to the Construction of the Event Improvements or the operation of the Race, and ROLLC will pay when due all undisputed bills for services or labor performed and materials supplied in connection with the Construction of the Event Improvements and the conduct of the Race. Within forty-five (45) days after the filing of any mechanic's lien, ROLLC will promptly discharge the same by payment or filing a bond or otherwise as permitted by Applicable Law. So long as the City has been protected by the filing of a bond or otherwise in a manner satisfactory to the City, ROLLC shall have the right to contest in good faith any claim, lien or encumbrance, provided that ROLLC does so diligently and without prejudice to the City or delay in completing Construction of the Event Improvements and conducting the Race.

Section 1.7 Correction of Construction Defects.

Promptly following any reasonable demand made in writing by the City, ROLLC shall commence and shall diligently pursue the completion of work to correct any structural defects in the Event Improvements, any work that fails to comply with the requirements of Event Management Plan and any material departures or deviations from the Event Improvements Plan not approved in writing by the City.

Section 1.8 Management.

ROLLC at all times shall provide for the competent and responsible management and operation of the Race. Any management contract or contracts affecting the Race must be approved in writing by the City prior to the execution of the same.

Section 1.9 Taxes.

ROLLC shall pay and discharge all taxes prior to the date on which penalties are attached thereto.

Section 1.10 The City's Rights to Pay and Perform.

If, after any required notice, ROLLC fails to promptly pay or perform any of its obligations under this Agreement within any applicable grace or cure periods, including the provision of services within the Perimeter as described in Section 4.7.2 of this Agreement, the City, without further notice to or demand upon ROLLC, and without waiving or releasing any obligation or event of default, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of ROLLC. ROLLC's failure to reimburse the City for the costs reasonably incurred by the City in performing such services within five (5) days of written notice thereof shall constitute an event of default under this Agreement. The execution hereof by ROLLC shall, and hereby does, constitute an irrevocable authorization to the City so to act. No further direction or authorization from ROLLC shall be necessary.

Section 1.11 As-Built Plans; Surveys.

Upon the reasonable request of the City, ROLLC shall promptly provide to the City as-built plans and specifications for the Event Improvements as actually completed.

Section 1.12 Single Purpose Entity.

ROLLC agrees at all times during the term of this Agreement to remain a single purpose entity having been formed for the sole purposes of operating the Race Track and installing the Event Improvements for the conduct of the Race. ROLLC shall conduct its business solely in its own name.

EXHIBIT G
Baltimore City Municipal Services(Event Period)

Municipal Service	Description
Police	The Baltimore City Police Department (BPD) may provide adequate security personnel inside the Race Track Area and will provide adequate security personnel outside of the Race Track Area to maintain public safety at all times during the Event Period. ROLLC will provide security services inside the Race Track area, at its own expense, in accordance with Section 4.5.2.
Fire Protection and Safety	The Baltimore City Fire Department (BFD) or an entity approved by the Mayor's Office of Emergency Management, will provide adequate fire and safety personnel and equipment, including EMS personnel, inside the Race Track Area and outside of the Race Track area to maintain public safety at all times during the Event Period.
Transportation and Traffic Control	The Baltimore City Department of Transportation (DOT), in coordination with BPD and any other appropriate agency, will provide adequate traffic control personnel to manage vehicular traffic during the Event Period and the required days immediately prior to the Event Period. ROLLC is solely responsible for providing traffic control personnel and equipment related to the track construction, subject to DOT review and oversight, and at its own expense.
Sanitation	The Department of Public Works (DPW) will provide an adequate number of roll on roll off dumpsters as requested by ROLLC during the Race Event in mutually acceptable locations within the Race Track Area. DPW will be responsible for delivering and picking up dumpsters on a mutually agreed upon schedule during the Event Period. DPW will provide adequate sanitation personnel outside of the Race Track Area during the Event Period at the sole discretion of the City. ROLLC will be solely responsible for all sanitation services within the Race Track Area during the Event Period, including trash collection, filling of City dumpsters, and portable restroom services, all at its own expense.
Street Sweeping	The Department of Public Works (DPW) will provide 3 street sweeping units to sweep the Race Track only during the Event Period as directed by ROLLC.

City Permits and Inspections	Leading up to the Event Period, the City, through appropriate City agencies, will promptly review applications and complete inspections in a timely manner necessary to issue City permits and/or City approvals for the construction of Event Improvements. ROLLC is solely responsible for the permit application(s), submission materials, and compliance with all local, state, and federal laws.
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